# FINANCIAL TIMES


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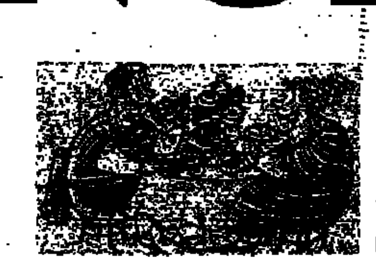

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World Business Newspaper

WEDNESDAY DECEMBER 27 1995


## Japanese jobless rate rises to a record 3.4%

Japanese unemployment hit a record rate of 3.4 per cent last month, putting the government under increased pressure to deliver recovery before elections next year. The main features of November's rise – up from 3.2 per cent in October – were a sharp rise in unemployment *among young people* and a continuing fall in manufacturing jobs. Page 3

**Russian bank taps west:** Rossiysky Kredit Bank, Russia's fourth biggest bank by assets, is to become the first Russian commercial bank to borrow on Western capital markets. It is offering $33.3m of bonds, in a deal arranged by Banque Indosuez, as part of a $100m programme. Page 11

**High hopes for Israel-Syria talks:** Both Israeli prime minister Shimon Peres and Syrian president Hafez Assad have expressed rare optimism about prospects for a new round of Israel-Syria peace talks starting in Washington today. Page 4

**Nato commander refuses Serb request**

US admiral Leighton Smith (left, above), Nato's commander in Bosnia, refused a Serb request to postpone key deadlines for implementing a peace *deal around Sarajevo. They had wanted Serb troops* to be allowed to stay around the city to reassure Serbs living in suburbs due to revert to Bosnian government control. The commander was paying his first visit to Pale to meet separatist Serb leaders, including Bosnian Serb parliament leader Momcilo Krajisnik (holding umbrella). Page 3

**Yeltsin sets up policy body:** Russian president Boris Yeltsin set up a new policy body to assert his control over foreign relations. The Council on Foreign Policy will be responsible directly to the president. Recovering Yeltsin returns, Page 2

**Floods hit KwaZulu-Natal:** At least 120 people were killed and many more are missing in floods in South Africa's KwaZulu-Natal province. The victims all lived in Imbali next to the Edendale black township outside Pietermaritzburg.

**Bumper year for buy-outs:** UK management buy-outs flourished in 1995, with more and bigger deals than in any year since 1989. More than £5.7bn ($8.8bn) of capital has been raised for 111 large MBOs – transactions where the amount raised is more than £10m. Page 11

**N Korea frees fishermen:** North Korea released five South Korean fishermen captured in May. The gesture, coming when North Korea urgently needs food aid, removed one obstacle to the possible resumption of emergency rice shipments by South Korea. Page 3

**Asian Bank planned:** Some of Britain's most successful Asian businessmen have put forward outline proposals for a London-based Asian Bank. A formal application for a banking licence is likely to be submitted to the Bank of England early next year. Page 10

**Thai SEC chief sacked:** Thailand's cabinet sacked Ekamol Kiriwat, respected chairman of the capital markets watchdog, the Securities & Exchange Commission, and dismissed him as a Central Bank deputy governor. Mr Ekamol's position had been shaky since he threatened to quit to preserve the commission's independence. Page 3

**Kazakh move on land:** Kazakhstan leader Nursultan Nazarbayev signed a law allowing private ownership of land. The move ends a debate over private property after decades of communism and paves the way for foreign investors to buy property in the former Soviet republic.

**Russian trawler lost:** One seaman was found dead and nine were missing after a Russian trawler sank in a storm off Norway. Another 15 sailors were rescued by another Russian trawler.

**Ireland woos graduates:** Ireland is targeting students home for Christmas, hoping to woo graduate exiles back to the country to fill key vacancies, mainly in computers. At Dublin airport, the International Network for Ireland stand has been open throughout the holiday period to distribute leaflets on job prospects.

**Cricket:** South Africa were 230 for four against England on the opening day of the fourth cricket Test at Port Elizabeth. The first three matches in the five-test series were drawn.

| ■ STOCK MARKET INDICES | | |
|---|---|---|
| Tokyo Nikkei | 19,984.72 | (+129.31) |
| New York: | | |
| Dow Jones Ind Ave | 5112.06 | (+14.09) |
| S&P Composite | 613.93 | (+1.98) |
| **■ US LUNCHTIME RATES** | | |
| Federal Funds | 5⅝% | |
| 3-mo Treas Bills. Yld | 4.989% | |
| Long Bond | 111½ | |
| Yield | 6.040% | |
| **■ GOLD** | | |
| New York Comex (Feb) | $388.6 | (388.2) |

| ■ STERLING | |
|---|---|
| New York lunchtime: | |
| $ | 1.5585 |
| **■ DOLLAR** | |
| New York lunchtime: | |
| DM | 1.433 |
| FFr | 4.9115 |
| SFr | 1.156 |
| Y | 102.395 |
| Tokyo close Y 102.45 | |
| London markets closed | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Austria | Sch35 | Greece | Dr400 | Malta | Lm0.60 | Qatar | QR13.00 |
| Bahrain | Din1.250 | Hong Kong | HK$20 | Morocco | MDh15 | S.Arabia | SR11 |
| Belgium | BFr70 | Hungary | Ft215 | Neth | Fl 4.25 | Singapore | S$4.30 |
| Bulgaria | Lw110.00 | Iceland | IKr230 | Nigeria | Naira80 | Slovak Rp | Sk60 |
| Cyprus | C£1.10 | India | Rs75 | Norway | NKr18.00 | S. Africa | R12.00 |
| Czech Rp | Kc55 | Israel | Shk7.90 | Oman | OR1.50 | Spain | Pta250 |
| Denmark | DKr17 | Italy | L3000 | Pakistan | Rs40 | Sweden | SKr17 |
| Egypt | E£5.00 | Japan | Y500 | Philippines | Pso50 | Switz | SFr3.60 |
| Estonia | EKr 20 | Jordan | JD1.50 | Poland | Zl 4.30 | Syria | S£50.00 |
| Finland | FM15 | Kuwait | Fils625 | Portugal (m'land) | Es230 | Tunisia | Din1.500 |
| France | FFr11.00 | Lebanon | US$1.50 | | | Turkey | L80,000 |
| Germany | DM3.60 | Lux | LFr70 | | | UAE | Dh12.00 |

# Communists blamed as telecom deal collapses

## Last-minute withdrawal by Italian state group Stet

**By Chrystia Freeland in Moscow and David Lane in Rome**

Russian government officials warned yesterday that the Communists' election success had scared off western investors after the collapse of the country's largest foreign investment deal out*side the oil sector.*

The last minute withdrawal by Stet, Italy's state-controlled telecoms company, from a $1.4bn investment in a Russian telecoms company has also left a big gap in the Kremlin's budget and renewed doubts about the country's shaky privatisation drive.

Mr Alexander Livshits, the president's senior economic adviser, said yesterday Stet's decision to withdraw was directly linked to the strong showing by Communists in the parliamentary elections earlier this month.

Mr Livshits said Communist politicians, who pledged to revoke "unfair" privatisations during the election campaign, should be aware that "their shrill calls were heard everywhere in the world".

Earlier this month, when Stet won an international tender for a *25 per cent stake in Sviazinvest,* a newly formed Russian telecoms company, the deal was billed as the most impressive accomplishment of a government whose recent privatisation efforts in other sectors have been widely criticised.

In contrast with the secretive auctions this autumn for other Russian companies, the Sviazinvest tender was held up as a model of fairness and transparency which would bring the government Rbs1,900bn ($413m) in revenue this year and provide substantial investment for the telephone company.

But on Monday, Russian officials announced that the deal had fallen through because of an eleventh-hour disagreement between the government and Stet over the form of payment.

According to Mr Maxim Boyko, head of the Russian privatisation centre which organised the tender on behalf of the government, *the agreement collapsed because* of Stet's insistence that its payment for Sviazinvest be held in an escrow account until the Russian government met a number of previously agreed conditions.

In particular, Stet wanted the rights of the 85 regional telecoms companies which form Sviazinvest to be clearly defined and was pressing for a clearer definition of Sviazinvest's relationship with Rostelecom, Russia's dominant telephone company and Sviazinvest's future competitor.

Mr Boyko said the Russian government had offered a guarantee from the ministry of finance to buy back Stet's shares if the conditions were not met, but said that pledge had been insufficient for the Italian company.

Mr Boyko said Stet officials had not directly linked their tough stance with the Commu*nist election triumph, but said* "their position suddenly hardened" on December 18, the day after Russia's polls.

The last minute withdrawal from the Sviazinvest is also a setback for Stet, which has been trying to shrug off a reputation as a high-bidding loser in telecoms privatisations. While in 1993 the group was beaten in privatisation offers in Hungary, this year it lost out in the Czech Republic and it has been excluded from the shortlist for a stake in Belgacom of Belgium.


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Editorial Comment, Page 9


Former Turkish prime ministers Mesut Yilmaz (above, left) of the Motherland conservative party, and Bulent Ecevit of the Democratic Left party, shake hands yesterday before talks on a possible coalition in the wake of the weekend's elections. On the left, Tansu Çiller, the former prime minister who called the snap election, leaves a press conference. She also had talks with Mr Yilmaz. Pictures: Reuter

# Turkey's conservatives may unite to keep Islamic party from power

**By John Barham in Ankara**

The leaders of Turkey's *conservative parties yesterday* promised to bury their differences and attempt to form a coalition government to keep the Islamic Refah party from power.

In Sunday's general election, Refah, which aims to overturn Turkey's 72-year-old secular system and establish an Islamic republic, became the largest party in the 550-member parliament with 158 seats. In the last parliament, it had 38 of 450 seats.

The conservative True Path party of Mrs Tansu Çiller, the former prime minister who called snap elections after the collapse of her coalition alliance with a small leftwing party, won 135 seats, 30 fewer than in the previous parliament. Refah won *the protest votes of Turks angry* at the incompetence and corruption of established political parties as the country struggles to emerge from the worst economic crisis in recent history.

Yesterday, after talks with Mr Mesut Yilmaz, head of the rival Motherland (Anap) conservative party, which won 132 seats, Mrs Çiller said: "We are positive about a coalition with Anap."

Although both parties agree on free market principles, hostility between the leaders has prevented an alliance. Both said the leaders of two smaller leftwing parties – the Democratic Left party and Peoples Republican party (CHP) were prepared to join a coalition, though they gave no details.

An *incoming government* will face formidable economic difficulties. Inflation is accelerating and the government must repay about three quarters of its $24.4bn domestic debt by May.

Parliament is expected to convene next week, after which President Süleyman Demirel will hold formal talks with party leaders on forming a new government. If a satisfactory administration cannot be assembled within 45 days of the election, Mr Demirel may appoint a caretaker prime minister to prepare for fresh elections within three months.

Mr Necmettin Erbakan, Refah's leader, yesterday demanded that Mr Demirel offer him the right to form a government first. "The people showed that the solution is Refah, not DYP or Anap," he said.

Mr Demirel has made clear that he does not intend to call on Refah to form a government.

Financial markets were calm yesterday, with share prices on the Istanbul stock exchange recovering 5.3 per cent after falling 6.5 per cent on Monday. The exchange's IMKB index closed at 41,584 points. The lira, Turkey's inflation-battered currency closed at 59,700 to the dollar – it has lost 4 per cent of its value since Friday.


World stocks, Page 20


# Exxon to start talks on Algerian gas project

**By Robert Corzine in London**

Exxon, the largest US oil group, is to begin negotiations with Algeria on a possible natural gas deal close to the site of a $3.5bn project agreed by British Petroleum.

Algerian officials, keen to attract investment and win support from foreign governments as part of their effort to counteract a four-year old Islamist insurgency, said they had agreed with Exxon to negotiate a project in the south-west of the country.

Mr Ammar Makhloufi, the industry and energy minister, said the Algerian government would like to see two or three major projects emerge in the In Salah area, which he said holds out the promise of big, undiscovered gas reserves.

He said the contract signed with BP on Saturday could serve as a "model" for future, foreign-funded projects to boost Algeria's gas exports to western Europe.

Algeria, which plans to expand beyond its traditional southern European gas markets to


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# Tokyo to change bank supervision system after crises

**By Gerard Baker in Tokyo**

Japan's finance ministry, stung by worldwide criticism of its handling of a string of disasters at Japanese banks, yesterday announced plans for a radical overhaul of its banking supervision system.

Measures included strengthening the ministry's inspection division, an early warning system based on tougher, objective criteria for banks' financial strength and greater use of external auditors to examine banks' accounts.

Meanwhile, the Bank of Japan yesterday announced it had begun a series of emergency inspections in the New York branches of 10 leading Japanese banks.

The finance ministry's proposals will disappoint critics by being short on specific plans to tighten supervision and by not increasing disclosure requirements, a crucial failing at Japanese institutions in the last few years.

The ministry said the underlying principle of the measures was a commitment to end the cosy relationship between banks and their regulators. At the same time, the proposals call for banks to improve internal management controls, and impose more reporting burdens on them.

"These measures will introduce a fundamental change in our system of banking supervision," said Mr Masayoshi Takemura, the finance minister.

The main change is legislative reform enabling the finance ministry to order corrective action if banks fail to satisfy objective criteria for key financial ratios.

An early warning system will mean regulators can insist on remedial action if banks fall short of objective criteria for capital adequacy and other measures.

Banks will also be given new guidelines on risk management and internal control mechanisms. Overseas branches will be expected to use external auditors, and the manpower of the banking supervision department of the finance ministry will be expanded from 420 examiners to about 490.

But there were no measures aimed at improving the limited disclosure of financial information by banks.

The Bank of Japan examiners have discovered some defects in


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LONDON · LEEDS · PARIS · FRANKFURT · STOCKHOLM · MADRID · NEW YORK · LOS ANGELES · TOKYO

# Fear of Islam unites Turkish political rivals

## Old adversaries appear to be burying the hatchet after the election, but there is widespread doubt that they can work together, writes **John Barham in Ankara**

Few Turks expected their country's two main centre-right leaders to bury their deep differences so quickly and prepare to form a coalition government to keep out the Islamic radicals of Refah, the biggest party in parliament after Sunday's election.

The free market principles of Mrs Tansu Çiller's True Path party and Mr Mesut Yilmaz's Motherland party are practically identical – their rivalry stems mainly from the mutual dislike of their leaders.

This animosity means there are considerable doubts that the two will be able to work together effectively, in spite of their statements yesterday that they are close to forming a coalition government.

In any case, few believe that a government united only by fear of Refah, a party dedicated to overturning Turkey's 72-year secular order, will be able to bring the political stability that has eluded the country for so long or command a consensus for structural economic reform.

There are deeper doubts, too, about the long-term dangers of exclusion from power of a political movement which is backed by more than a fifth of the population, and of the way a coalition might ignore the simmering discontent among the Kurdish minority in the south-east.

Most people expect continued economic disarray, with accelerating inflation, government overspending and rising unemployment. Inflation is above 80 per cent. Unemployment and underemployment and low wages have helped drive Refah ahead as an alternative to the established party system.

Furthermore, a reminder of past political instability came at the weekend when the army, still very powerful in Turkish politics, warned secular party leaders against dealing with Refah. General Ismail Karadayi, chief of the general staff, said the armed forces were the "greatest insurance of the Turkish republic which is a democratic and secular state. The Turkish armed forces are the untiring guardians of Ataturk's reforms and principles". The army has staged three coups d'etat since 1960, though few expect it to intervene again now.

**ELECTION RESULTS**

| | Votes | Percentage | Seats |
|---|---|---|---|
| Refah | 5,970,603 | 21.32% | 158 |
| True Path | 5,367,242 | 19.18% | 135 |
| Motherland | 5,505,591 | 19.66% | 132 |
| DSP | 4,103,275 | 14.65% | 75 |
| People's Republican | 3,011,124 | 10.75% | 50 |
| Other parties | 3,912,779 | | |
| Spoiled ballots | 1,053,647 | | |

Mrs Çiller is widely accepted to have emerged stronger from the elections than Mr Yilmaz, with three more seats, and will probably become the rallying point for a consolidated centre-right party. A coalition between True Path, the Motherland party and the moderate Democratic Left would provide a majority in parliament.

The insistence of Refah's leader, Mr Necmettin Erbakan, that President Süleyman Demirel give him the right to form a government is probably little more than political posturing because the mainstream parties have said they will not work with him.

However, Mr Mehmet Ali Birand, one of Turkey's most respected political columnists, warned yesterday: "We have to give Refah a place in society and not exclude them from the system. If we do so, we will all pay for it." He worries that if Refah is kept out of the political system, its supporters "will seek their rights in other ways".

Yet it is hard to see how a party which radically opposes nearly every aspect of modern Turkish society can be integrated into the system. Refah's administration of Istanbul and Ankara, control of which it captured last year, is more efficient than its predecessors, but it has not attempted to impose Islamic codes, as it promised to do if it took power nationally.

However, ordinary people have grown profoundly disillusioned with the horse-trading in Ankara. At polling stations on Sunday, few mentioned any positive reason for voting. A fifth of the 34.2m electorate either did not vote or spoiled their ballot papers – voting is compulsory, though enforcement is uneven and fines are nominal. A further 3.9m voted for fringe parties, from the far-right National Action party (MHP) to the leftwing Kurdish nationalist Hadep party. None of these won any seats in parliament because they failed to take more than 10 per cent of the national vote.

Many fear that the MHP, which held 17 seats in the last parliament, may break up and its hardline rank and file resort to street violence. The same fear applies to Hadep, which took four provinces in the south-east by campaigning on a peaceful solution to the Kurdish uprising. Fighting between government forces and guerrillas of the Kurdistan Workers' party (PKK) has claimed about 20,000 lives in the past 11 years.

"Who will speak for the Kurds now? Only the PKK, and no one wants that," one US analyst said. Mrs Çiller recruited several top officers from the security services to True Path and six have entered parliament, including Mr Unal Erkan, the former hardline governor of the south-east. The outlook for a political solution to the fighting now looks more remote than before.

# Swedish dominant party losing ground

By Hugh Carnegy in Stockholm

Sweden's governing Social Democrats and the conservative opposition Moderate party are running neck-and-neck for the first time in almost 30 years of regular polling.

The poll confirms a steady erosion of support for the SDP, which has dominated Swedish politics for decades, governing the country for 52 out of the past 63 years, and underlines the difficult task facing Mr Göran Persson, the finance minister, as he prepares to succeed Mr Ingvar Carlsson as party leader and prime minister in March.

The SDP and the Moderates – the latter led by Mr Carl Bildt, currently heading the civilian arm of the international peace operation in Bosnia – each stood on 30.4 per cent support in a poll by the Sifo institute, published in the newspaper Svenska Dagbladet.

The poll follows the scandals and chaos that afflicted the process of finding a successor to Mr Carlsson, who is retiring. Mr Persson was second choice after Ms Mona Sahlin, the former deputy premier, who was forced to quit in a row over her use of credit cards.

Since the general election in September 1994 – when the SDP returned to power after three years in opposition, winning 45.3 per cent of the vote – it has been forced to apply a tough budgetary squeeze on the welfare state to overcome a crisis in the public finances.

The Moderates have risen sharply from the 22.4 per cent they won in the general election. This is in spite of the virtual absence from the domestic scene of Mr Bildt, who took over as the European Union's peace mediator in former Yugoslavia in June.

His role on the international stage, which he says will last another year, appears to have enhanced the Moderates' appeal. But the party hopes the poll is also a sign that its long-term aim of achieving closer parity in support with the SDP is bearing fruit.

The Moderates' free market economic policies – radical by Swedish standards – have been overshadowed by mainstream backing for the traditional egalitarian welfare policies of the Social Democrats. Even when Mr Bildt formed a right-centre coalition in 1991, the Moderates had much less than 30 per cent of the vote.

In the short term, Mr Persson can take comfort from the fragmentation of the smaller opposition parties, reducing the threat to the minority SDP government.

The Moderates' traditional coalition partners – the Liberal, Centre and Christian Democratic parties – are all in retreat. The Centre party has for several months been in an informal pact with the SDP. At the same time, the Left party and the Environment party are enjoying unprecedented levels of support – and there is no common ground between them and Mr Bildt.

Refugees carry white flags as they return to Gudermes after the city was seized back from Chechen rebels by Russian troops on Monday following heavy fighting *Reuter*

# Recovering Yeltsin returns to rattled Moscow government

By Chrystia Freeland in Moscow

President Boris Yeltsin was discharged from a sanatorium yesterday and plans to spend the New Year with his family, a further sign that he is recovering from a mild heart attack two months ago.

But the Russian leader is returning to a government unsettled by the Communist triumph in parliamentary elections this month and mounting international concern over continued fighting in Chechnya.

Although senior Russian officials insist that the elections will not lead to a change in government policy, this week has brought several signs that reform-minded cabinet members could be replaced by more leftwing politicians.

The clearest indication of this trend was yesterday's resignation of Mr Sergei Shakhrai, a reformist deputy prime minister. He was once a close associate of the president but is hated by the Communists for his role in the collapse of the Soviet Union.

Mr Shakhrai, who resigned to take up a seat in parliament, is widely expected to be followed by Mr Andrei Kozyrev, the liberal foreign minister, who has also been elected to parliament. MPs may not occupy government posts.

On Monday, Mr Victor Chernomyrdin, the prime minister and leader of a pro-government party whose vote was less than half the Communists', said it was possible that Communists would be invited into the cabinet. Communist officials, however, have said their party has not yet decided whether to work with the current administration.

Growing uncertainty at home has coincided with a renewed burst of international criticism of Russia's behaviour in Chechnya, where a war to subdue separatists has dragged on for more than a year.

On Monday, Mr Klaus Kinkel, the German foreign minister, wrote to his Russian counterpart appealing for a ceasefire in the region. After several months of relative calm, fighting flared again this month, when separatists took over Gudermes, Chechnya's second largest city, for several days in protest against the Russian government's effort to hold local elections.

More than a week after polls closed, Russian officials have released full preliminary results from the December 17 parliamentary elections. In the proportional representation voting, which allots 225 of the 450 seats in parliament, Communists won 22.31 per cent of the vote.

Mr Vladimir Zhirinovsky's ultra-nationalist Liberal Democratic party gained 11.06 per cent of the vote, followed by the pro-government Our Home is Russia led by Mr Chernomyrdin, with 9.89 per cent. The reformist Yabloko came fourth with 6.93 per cent. No other party cleared the 5 per cent barrier to win the right to seats in the proportional representation half of the parliament.

The final figures suggest that the Communists, who won 58 of the 225 seats alloted according to first-past-the-post contests, will control almost 160 seats in the new parliament. Together with the closely allied Agrarian party, which won 20 single-mandate seats, and other more radical leftwing parties, which won a total of 10 seats, the Communists may be able to form a leftwing coalition of at least 190 deputies, and may even be able to win over enough of the 77 independent MPs to form a majority bloc in parliament.

# Russian diamond deal on the cards

## De Beers accord looks more likely, writes **Kenneth Gooding, Mining Correspondent**

The chances of two of the world's biggest diamond producers, Russia and the South African mining group De Beers, renewing their exclusive international marketing contract have improved significantly.

This will ease worries in the market, which for months has been unnerved by the prospect of Russia ending its relationship with the international diamond cartel organised by De Beers and the possibility of a subsequent price war.

The present five-year contract, worth at least $1bn (£650m) a year to Russia, was scheduled to end next Sunday. De Beers seemed reluctantly to have prepared itself for Russia leaving the cartel but the Russians have now asked for, and been given, another month to see if a new deal can be worked out.

In the meantime, De Beers's London-based Central Selling Organisation, which accounts for about 80 per cent of world trade in rough or uncut diamonds, will continue to have exclusive international marketing rights to most of Russia's production.

Relationships between Russia and the South African group have been strained for two years. De Beers claimed Russia was selling diamonds worth about $1bn a year directly to the west in contravention of its contract with the CSO. Russia may sell 5 per cent of its production outside the cartel for "market testing". It wants this increased because some officials believe Russian stones will fetch at least a third more if sold independently of the cartel.

Russia has also asked for other changes to the contract. De Beers, with a huge sum invested in the CSO's diamond stocks, which also cost a great deal to finance, is reluctant to give way for fear that other members of the cartel will want similar concessions.

In July it realigned CSO prices, lowering those for smaller rough diamonds by up to 15 per cent and increasing those for bigger diamonds. This was followed by a further 5 per cent rise in price of diamonds over two carats in weight. The Russians were concerned, as the reductions mainly affected diamonds being sold by the Russians outside the terms of the CSO agreement.

One industry observer, who asked not to be identified, said yesterday: "The contract with the Russians has given De Beers a great deal of aggravation for at least two years. But the Russians have gone to the edge of the abyss, looked over the edge and did not like what they saw. The prospect of immediately losing the $100m of income a month from the CSO is concentrating Russian minds."

Two weeks ago, De Beers surprised the industry by reporting that the CSO's sales reached a record $4.5bn in 1995 and that the recent price increase for large stones had been "well accepted". Nevertheless, uncertainties about the Russian situation caused De Beers to continue the quota system imposed on all CSO suppliers since September 1992. The CSO will buy only 85 per cent of the diamonds it previously agreed to take from producers in the cartel.

Some observers argue that the Russians offer little threat to the market, as there are indications their production is falling and their activities this year in the free market suggest their diamond stocks are down to modest levels.

However, Mr Michael Coulson, analyst at Nedcor Securities, part of the South African banking group, suggests the Russian action "could just as easily reflect a belief on the Russian side that there is a good chance they will not be able to sign a new agreement with the CSO and consequently they will have to go it alone.

"In such circumstances," he said, "it would make sense for them to have a full and marketable range of goods available for sale outside the CSO on a reliable and regular basis. It could thus be argued that they have been tailoring their sales and stock disposals this year towards this end."

EUROPEAN NEWS DIGEST

# Serb plea for Sarajevo delay

Bosnian Serb leaders yesterday urged Admiral Leighton Smith, US commander of the international peace force in Bosnia, to delay placing Serb-held parts of the capital, Sarajevo, under Bosnian federation control.

During a visit to Pale, the Bosnian Serb stronghold above Sarajevo, Admiral Smith pointedly avoided meeting Mr Radovan Karadzic, Bosnian Serb leader, or General Ratko Mladic, his commander, who have been indicted as war criminals. After talks with senior Bosnian Serb officials, he said they had urged a delay of between three months and a year: "I didn't say Yes or No," he said, adding that he had told Serb leaders that, as Nato commander, he was empowered to consider their request.

The peace agreement reached last month reunifies Sarajevo under government control. Serbs in Serb-held parts of the city have warned they will flee, fearing for their safety under Moslem rule. "The Dayton agreement on Sarajevo is not a just solution. . . . a great number of people want to leave," a Bosnian Serb official said yesterday.

Meanwhile, in Orasje, north-eastern Bosnia, the first US combat unit crossed the Sava river from Croatia into Bosnia by barge. Army engineers will build a pontoon bridge there to allow combat troops who will be stationed in northern Bosnia to cross. *Laura Silber, Belgrade.*

## Spain likely to vote on March 3

A Spanish general election now looks almost certain to take place on March 3, coinciding with regional voting in Andalucia. The date for the Andalucian poll was announced yesterday, and Mr Felipe González, the Spanish prime minister, made clear last week that he favoured holding both contests on the same day. He is expected to confirm the date in early January.

Having resisted opposition demands for an immediate general election last autumn, when his minority Socialist party was isolated in parliament, Mr González now appears eager to launch his campaign as soon as possible, taking advantage of the image-boosting effect of Spain's successful presidency of the European Union. The election will be 15 months before completion of Mr González's fourth term of office.

In Andalucia, the most populous of Spain's regions, the Socialists' attempts to govern with a parliamentary minority have collapsed more rapidly. Less than 18 months after being re-elected, Mr Manuel Chaves, the regional president, had his hand forced when Communists and conservatives joined forces to defeat his budget. *David White, Madrid.*

## Papandreou bounces back

Mr Andreas Papandreou, Greek prime minister, has overcome an infection that nearly killed him last week, doctors said yesterday. "In the past 24 hours the premier's condition has not changed and remains stable," a hospital statement said.

Mr Papandreou, 76, taken to hospital with pneumonia in November, took a turn for the worse on Saturday when doctors said he had suffered yet another secondary infection that was difficult to fight. "He has overcome this danger," one of his doctors said yesterday. *Reuter, Athens*

## Christmas snares Mafia suspect

The desire of an alleged Mafia boss to spend Christmas with his family led to his arrest, Italian police said yesterday. Eugenio Barresi, 35, was arrested on Christmas Eve at the home of a friend as he celebrated the holiday with his wife and children. They said investigators tracked him down after discovering his family had travelled from the Sicilian city of Messina to an area outside the northern town of Cremona. Police said Barresi, alleged boss of a Mafia group in Messina, had been a fugitive since June 1994 when a warrant was issued for his arrest on charges of Mafia association, murder, extortion and other crimes. *Reuter, Cremona*



# Trouble brews over rise of the can in Germany

By Michael Lindemann in Bonn

Hundreds of the small brewers which supply Europe's biggest beer drinkers are facing an uncertain future. The culprit? The beer can.

The rise in canned beer at the expense of bottled is also causing havoc with Germany's complicated environmental regulations and has already sparked a row involving the country's retailers, cartel office, and government.

The local brewery is as much a part of the German landscape as the corner sausage stand. Cologne, a city of about 1m people, has 23 breweries producing the unique local brew.

Germans drink more beer on average than any other Europeans, with 1,200 mainly small brewers supplying their thirst and traditionally relying on bottles recycled by drinkers via the shops.

Increasingly, however, beer is sold in cans, which are cheaper, lighter and easier for supermarkets to handle. Canned sales rose by 20 per cent last year and continued to grow at the same rate in the first half of this year, to make about 15 per cent of beer sales overall and causing, according to a study by IKB Deutsche Industriebank, "considerable worries in the [brewing] industry".

Beer sales, which peaked at 120m hectolitres in 1992, have been falling slightly since, creating pressure for consolidation in the industry. The prospect of extra capital spending on canning lines is increasing that pressure.

But the rise in cans is also causing problems for the *Verpackungsverordnung* – a 1991 regulation which states that the recyclable bottle must make up at least 72 per cent of all drinks packaging.

If cans, cartons and other packaging rise above 28 per cent, retailers would be obliged by law to charge a 50 pfennig deposit on every bottle that they sell, to encourage people to take bottles back to the shops. The recyclable bottle now makes up just 72.65 per cent of total packaging.

Concerned by the approach of the 72 per cent threshold, Ms Angela Merkel, the environment minister, and the retail trade have launched an initiative to stop the advance of the can. They agreed that the price of all canned drinks would be raised by 10 pfennigs from the beginning of next year.

Detailed operation of the scheme had not been worked out, but the intention was to use the DM350m (£160m) raised to combat litter and run advertising campaigns promoting the use of recyclable bottles.

Last week the Bundeskartellamt, Germany's competition agency, told Ms Merkel and the retail trade that the plan amounted to "a forbidden agreement to raise prices" and threatened retailers with fines of up to DM1.05bn.

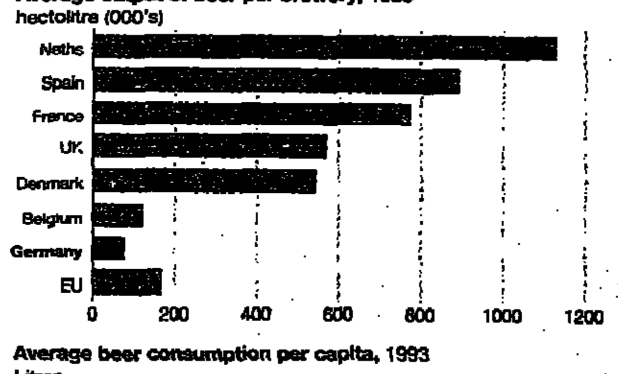
"We are not prepared to accept this sort of thing, no matter how good the reason is," it said.

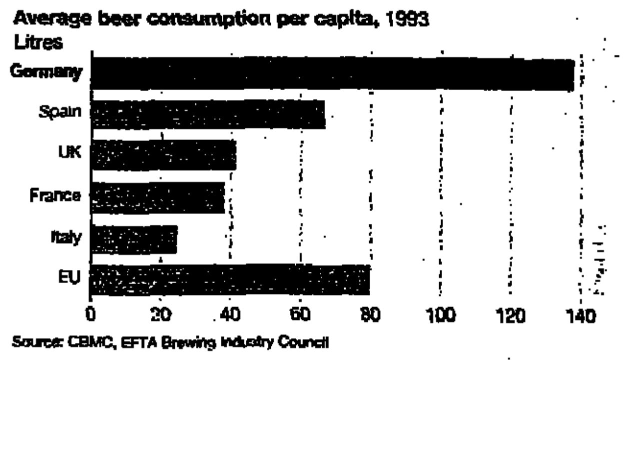
Among ideas now being considered by the ministry to slow the decline of the bottle are licences which would ensure companies pay a levy on the cans they produce, in the same way that power stations have to pay to emit "greenhouse" gases such as $CO_2$.

Privately, the ministry expects the 72 per cent threshold to be crossed this year. Raising the price of bottled drinks by 50 pfennigs will anger retailers because it will slow sales.

There is also the risk of making the beer can even more attractive, accelerating the switch to cans in contrast to the intention of the law. This would spell even more trouble for the local breweries.

The IKB report warns that hundreds of them may go out of business because they could not afford to build canning facilities.




Source: CBMC, EFTA Brewing Industry Council

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**NEWS: ASIA-PACIFIC**

# Japan set to lift ban on holding companies

By William Dawkins in Tokyo

*Controversial* plans for a partial end next autumn to Japan's post-war ban on holding companies will next month be presented to parliament for approval.

A panel of Japan's *Fair Trade Commission*, the anti-cartel watchdog, will today publish a report outlining five *circumstances in which it could permit* holding companies, in which a central company holds controlling share stakes in others, a form of ownership banned in Japan for 48 years.

The main corporate groups or *keiretsu* are linked by small cross-shareholdings which convey no formal management control, though many such groups do have effective strategy-making centres in the form of a trading company or bank.

The move is a climb-down from the FTC's former opposition to domestic business lobbies' demands for an end to the ban, seen as a way to save tax, avoid management duplication and cut costs. It was made possible by an accord between the FTC and the Finance Ministry, in which the ministry won the commission's support by promising it more power to combat restrictive practices.

The proposals, for an amendment to Japan's existing anti-monopoly law, would permit the use of holding companies in five specific cases:

- a bank rescue or the consolidation of an existing financial company diversification;
- the division of any group into business units under a holding company headquarters;
- a venture capital group's purchase of its own company investments;
- a merger between small and medium-sized companies intended to compete against a large rival;
- a holding company to supervise a sales or foreign subsidiary.

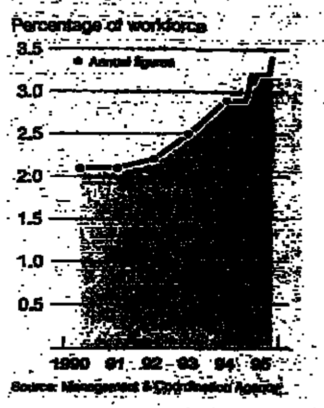
This falls well short of calls by the Keidanren, the leading business lobby, for general scope to set up holding companies as freely as is done in Europe or the US. The Keidanren's larger corporate members have long argued that the ban on holding companies means they have to pay more tax than foreign competitors. Japanese companies are unable to offset subsidiaries' losses against group tax liabilities.

In response to the FTC report, Mr Takashi Imai, president of Nippon Steel, the world's largest steelmaker, called for a reform of corporate tax rules, to enable tax to be levied on consolidated profits alone. Keidanren officials voiced disappointment that the proposal left many curbs on non-financial holding companies in place.

A complete ban, however, would meet political resistance from those who fear a revival of the *zaibatsu* – corporate groups controlled by holding companies – which contributed to the rise of pre-second world war militarism.

The four largest *zaibatsu* controlled a quarter of the economy by 1945 and were dissolved, on their own initiative and by the US occupation, to prevent the recurrence of such a concentration of power. A law prohibiting holding companies was enacted in 1947. While a revival of militarism is a remote prospect, the FTC has resisted relaxation on the grounds that this might cut across its policy of dismantling cartels.

**Japanese unemployment**




Source: Management & Coordination Agency

# Unemployment at record 3.4% in November

By William Dawkins in Tokyo

Japan's unemployment rate hit a record 3.4 per cent last month, increasing pressure on the government to deliver economic recovery before next year's election.

A sharp rise in joblessness among young people and the continuing decline in manufacturing jobs, as companies shift capacity to cheaper locations overseas, were the main features of the increase, from 3.2 per cent in October.

Mr Ryutaro Hashimoto, minister for international trade and industry, said this was an "extremely heavy figure". Japan's criteria for measuring joblessness are unusually strict, so that if more embracing US criteria were used, the internationally comparable unemployment rate could be at least double the published figure.

Senior economic and labour officials, however, argued that the rise was temporary and might even presage the early stage of a recovery, as more young workers leave underpaid part-time jobs, typically in service industries, in search of better employment. This was often the case at the initial stage of an economic recovery, said Mr Isamu Miyazaki, director general of the Economic Planning Agency.

Within the total, the jobless rate for males aged 15 to 24 rose by 1.1 percentage points in the year to November to reach 6.3 per cent, nearly double the average unemployment rate. Japan's high youth unemployment is a consequence of recruitment curbs by companies to cut costs.

There were 2.18m unemployed last month, up by 17.8 per cent from November last year. In spite of this, the labour market was slightly less weak last month.

The number of posts available per 100 job seekers rose slightly to 63, from 61 in the preceding month. In previous recoveries, a rise in the job seekers' ratio has been the prelude to a fall in unemployment.

The EPA yesterday produced evidence of its belief that better times might be around the corner, in the form of the best score for six months in its index of economic data.

The agency's leading diffusion index, a basket of forecasts of economic activity in the next few months, rose to 80 in October, from 46.2 the previous month. A score of 50 is equilibrium between growth and decline.

# North frees South Korea fishermen in bid for rice

By John Burton in Seoul

North Korea yesterday released five South Korean fishermen, who were captured last May, in a conciliatory gesture to attract international food aid for its starving population.

The return of the fishing boat crew removed one obstacle to the possible resumption of emergency rice shipments by South Korea to the north.

Seoul last summer delivered 150,000 tonnes of rice to North Korea, but refused any more assistance until the boat crew was released. In addition, Japan and the US have not responded to recent pleas for food assistance from North Korea in deference to South Korean wishes. The response by other countries to a request from the United Nations World Food Programme for $8.8m in North Korea food aid has been meagre.

Officials in Seoul yesterday said that South Korea, Japan and the US would discuss additional rice supplies to North Korea during a policy meeting in Hawaii in late January.

Japan has already indicated that it is willing to supply more rice to North Korea in addition to the 600,000 tonnes it provided earlier this year. Mr Koken Nosaka, Japan's chief cabinet secretary, said that more rice aid was needed to prevent the sudden collapse of North Korea, which is suffering a grain shortage amounting to almost half of its total demand.

South Korea has maintained that it will not proceed with further rice shipments until North Korea resumes political dialogue with Seoul. But Mr Kwon O-kie, who was appointed South Korean national unification minister last week, indicated that Seoul might drop or ease this demand.

"We shouldn't limit our attention only to the North Korean authorities. We should look at the other side of the North Korea which is North Korean citizens," he said.

South Korea adopted a tough attitude on barring further rice shipments after it was heavily criticised by the public for failing to win political concessions from North Korea in return for the rice supplies in the summer. However, Seoul appears to be shifting toward a more flexible stance because of worries that the food shortage in North Korea might provoke a military attack by Pyongyang in a desperate attempt to save itself from collapse.

Lee Byong-soo, one of the South Korean fishermen freed yesterday, is greeted by his mother Reuter

The five surviving crewmen of the captured Woosung 86 were returned at the truce village of Panmunjom astride the Korean demilitarised zone. The cremated remains of three crew members, including two killed during the boat's capture and another who died in captivity, were also returned.

They were first South Korean crew to be returned by North Korea from the 150 fishermen captured since 1975.

The boat intruded into North Korean waters on May 30 as it sailed from fishing grounds off China to its home port of Inchon, near Seoul.

ASIA-PACIFIC NEWS DIGEST

## Thai cabinet sacks SEC chief

The Thai cabinet yesterday sacked Mr Ekamol Kiriwat, the respected chairman of the capital markets watchdog, the Securities & Exchange Commission, and dismissed him from his position as a Central Bank deputy governor. The authorities quickly tried to stem damage to market sentiment by replacing him with Mr Pakorn Malakul Na Ayudhya, a well-connected central banker. The Stock Exchange of Thailand index slipped 2.73 points to 1278.92 yesterday.

Mr Ekamol had his card marked by the new cabinet five months ago when he threatened to resign to preserve the commission's independence. He originally planned to return to his post at the Bank of Thailand in three months. But he was blocked from returning there amid unofficial talk of wrongdoing at the SEC.

"I cannot explain in detail why Ekamol cannot resume his job at the central bank," said Mr Surakiart Sathirathai, finance minister, yesterday. I can only say there is a legal problem involved," he added. However, one Thai financier said: "Ekamol's only crime has been to oppose the government and the weaker people in the exchange and the Bank of Thailand. He had to go because he was simply to strong for them to handle." *William Barnes, Bangkok*

## Toyota plans China parts plant

Two leading affiliates of Toyota Motor, the Japanese car maker, yesterday announced joint ventures to manufacture car parts in Tianjin, northern China. The ventures with affiliates of the state-run Tianjin Automotive Industrial come as Toyota is negotiating with the company to establish what is expected to be the largest Japanese joint venture to produce passenger cars in China.

Nippondenso, a maker of car electronics, said it had set up Tianjin Denso Engine Electrical Products. The joint venture, capitalised at Y1.66bn ($16.2m), will be owned 55 per cent by Tianjin Internal Combustion and the rest by Nippondenso and Toyota group's trading house, Toyota Tsusho, the company said. It will make starters and alternators. *Kyodo, Nagoya*

## Suntory's Shanghai brewing deal

Suntory, Japan's largest whisky distiller, announced yesterday it had signed an agreement to launch a brewery joint venture in Shanghai next month. Suntory will have a 60 per cent stake in the new $12m venture, to be called Shanghai Suntory Brewery. A Chinese state company, Shanghai Sugar Cigarette & Wine (Group) (SSCW), will hold the remainder.

Suntory said an existing plant and facilities held by SSCW's subsidiary, Shanghai Jiangnan Brewery, would be remodelled to produce a new beer under a local brand name for the new joint venture. The plant's annual capacity would be increased from the current 30,000kl to 100,000kl by 1998, and the product would be upgraded so that the Suntory's brand name could be used, the Japanese company said. *AP-DJ, Tokyo*

## Indian decision 'soon' on Enron

The on-again, off-again saga of US multinational Enron Corporation's $2.5bn power project in the Indian state of Maharashtra appears to be ending, a state political leader said yesterday. "A decision has already been taken but it will only be announced following a cabinet meeting within the next two to three days," said Bal Thackeray, head of Shiv Sena party, part of the state's governing coalition. The project, a 2,450MW plant on the west coast, was halted by the new Maharashtra administration in August after a state government panel said the capital and tariff costs were too high. *Reuter, Bombay*

# Hopes of progress in new Israel-Syria talks

By Mark Dennis in Jerusalem

Syria and Israel are due to open a new round of peace negotiations today in Washington, amid expectations of substantive progress in the long deadlocked talks, widely seen as the final link in a comprehensive Arab-Israeli peace.

Both Mr Shimon Peres, the Israeli prime minister, and Mr Hafez Assad, the Syrian president, have expressed rare optimism about the resumption of talks after a six-month hiatus, and together with their American sponsors appear committed to an attempt to conclude a deal in the coming months.

Officials from both sides said the three-day round at a Maryland retreat would be procedural and negotiations on the substantive issues of Israeli withdrawal from the Golan Heights, subsequent security arrangements and the nature of relations between the two countries would only start after the next round of talks in early January.

The negotiations have moved from the military to the political level, with two of the most prominent men in the Palestinian-Israeli negotiations, Mr Uri Savir, director-general of the foreign ministry, and Mr Yoel Singer, the ministry's legal adviser, in Washington to steer the talks. They are expected to lay the groundwork for detailed negotiations as well as a summit between Mr Peres and Mr Assad.

Israel intends to embark on a multitrack negotiation process, breaking from the one-issue talks centred on Israeli withdrawal from the Golan Heights.

This would create a "self-sustaining" process, according to Mr Danny Shek, foreign ministry spokesman, because an impasse at one level would not doom the entire talks.

Mr Ehud Barak, the Israeli foreign minister, outlined the government's agenda for the first time to the Knesset on Monday. It includes a call for demilitarisation along the border, direct hot lines between commanders, full diplomatic relations, open borders for goods and people, and a cessation of the conflict in southern Lebanon.

Mr Barak said the extent and timing of withdrawal from the Golan Heights would be predicated on Syria's willingness for a speedy normalisation of relations. Syria's refusal to agree to a full normalisation of relations before Israel withdraws from the Golan Heights has largely kept the talks deadlocked since they began in 1991.

Polls still show a majority of Israelis opposed to relinquishing the Golan Heights, which were captured in the June 1967 war.

Legislators opposed to a Syria deal, including rebels in Mr Peres's Labour party, have continually threatened to topple the government over the issue. The government survived five no-confidence motions on Monday over its possible concessions to Syria.

Shhh, keep the peace: An Israeli soldier tries to quieten a Palestinian woman protesting against land confiscation for the construction near Ramallah of a by-pass road for Israeli settlers Picture: Reuter

# Algeria exploits its sea of sand

## The government needs to ensure growing exports of oil and gas. **Robert Corzine** on a BP deal that could herald new investment

Arriving by air at the Bin Rebba oil field deep in Algeria's desert is "like landing on an aircraft carrier in a sea of sand", says Mr Louis Spelli, head of Algerian operations for Agip, the Italian company which operates one of the country's newest oil fields.

As the short-takeoff-and-landing Pilatus turbo-Porter, with a former East German air force fighter pilot at the controls, lines up on the tiny air strip, Algerian soldiers with AK-47 assault rifles stand silhouetted at the top of the surrounding honey-coloured sand dunes.

In the cool early morning air at Bin Rebba it is hard to tell whether more heat comes from the rising sun or from a giant plume of flame that denotes yet another oil well undergoing test. Mr Ammar Makhloufi, Algeria's industry and energy minister, jokes that technology may one day allow the country to export its plentiful sunshine. But for the financially strapped government, busy battling a four-year old Islamist insurgency, the need to ensure a rising tide of current oil and gas exports is a deadly serious business.

The past weekend proved particularly productive for Mr Makhloufi and officials from Sonatrach, the state oil and gas company. Last Friday the minister inaugurated the oil processing facilities at Bin Rebba, and a new gas treatment complex built in conjunction with Total, the French oil group, at Hamra. But Algerian officials say it was the signing last Saturday of a $3.5bn gas development deal with British Petroleum that could pave the way for new international investment in Algeria's energy sector, which accounts for virtually all the country's export earnings.

At the signing ceremony in Hassi Massaoud, Algeria's southern oil centre, Mr Makhloufi said the BP deal would be the model for future gas contracts with other international companies.

Some industry observers consider it ironic that Algeria and Sonatrach should find themselves at the forefront of the rapidly changing relationships between international oil groups and members of the Organisation of Petroleum Exporting Countries. "Many government and Sonatrach officials are still steeped in the pseudo-socialism of the 1970s," says an industry analyst, in highlighting one of the reasons why the negotiations with BP took five years to conclude.

But those at the top of the energy ministry and Sonatrach have no doubt that Algeria, having found itself in the unlikely role of an industry pioneer, must stay in the vanguard of oil-producing states competing for foreign capital.

Mr Nazim Zouioueche, the head of Sonatrach, says Algeria is taking steps to maintain the momentum of foreign interest and investment. New exploration acreage will be offered for foreign companies, although Algeria appears more interested in negotiating specific arrangements with individual companies than in launching a new international, competitive bidding round. "We prefer to deal with companies face-to-face," he says.

There is also a continual reassessment of the fiscal terms being offered to foreign companies. "We think the current ones are attractive enough, but we must be prepared to adapt to growing international competition," he adds.

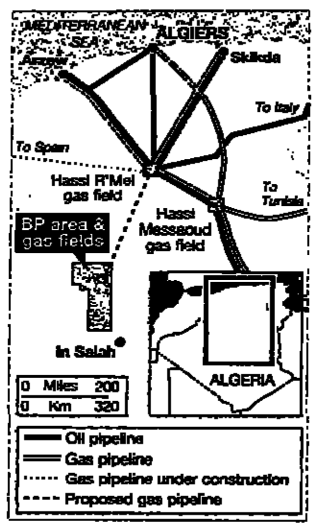
Sonatrach will also be offering more opportunities for foreign companies to take part in rehabilitating existing oil fields. Mr Zouioueche says a contract on enhanced oil recovery being negotiated with Arco, the US oil group, will form the basis for future oilfield rehabilitation projects. "But we can't do other ones until the Arco deal is signed," he said in an interview.

Resentment at the country's dependence on foreign oil companies to fund new developments appears muted. "We're less dogmatic than we used to be," says Mr Zouioueche. "It's now almost impossible to go it alone in the oil world."

One US-educated Sonatrach supervisor at Hamra says working with foreign partners should boost the quality of management within the company. The presence of a foreign partner can also help to introduce more efficient working practices. "Before, you could enter Sonatrach and do nothing until you retired," he said. "But that's no longer the case."

Mr Zouioueche has ambitious plans to revitalise Sonatrach. "Our goal", he says, "is to have a state company that is managed like a private company." He is also keen to expand international activities. Algerian officials say part of the attraction of the BP deal is that it opens the prospect of moving into new "middle stream markets" in Europe, such as power generation.

Mr Zouioueche says Sonatrach, which already has a stake in Anadarko, the US oil explorer, is also keen to acquire additional overseas assets. That could include taking stakes in other companies. "We're open to any possibilities to become more international," he says.




Gunmen, thought to be Moslem rebels, have kidnapped and beheaded three peasants and dumped their bodies by a roadside near Algiers, an Algerian newspaper said yesterday, Reuter reports from Algiers.

The three peasants were abducted from Sidi Slimane village, 40 miles south-west of Algiers, the French-language daily El Watan said.

Quoting victims' families and witnesses, the paper said the peasants were killed because they had spurned guerrilla demands for money to support their violent campaign against the government and refused to have their sons join the rebels.

# Kyrgyz president wins re-election

By Birgit Brauer in Bishkek, Kyrgyzstan

Kyrgyzstan's President Askar Akayev, re-elected for a second five-year term in elections held on Sunday, has pledged to press on with the country's economic reform programme.

The president won with more than 60 per cent of the vote, in a poll which attracted an 82 per cent turn-out, government figures said.

The election was relatively trouble-free, though some of the original 13 nominees complained about being ignored by the state-run media.

Mr Akayev easily defeated the other two candidates – Mr Absamat Masaliyev, former Communist party secretary, and Mr Medetkan Sherimkulov, former parliamentary speaker – who offered no serious alternative for improving the economy.

The president, aged 51 and a former scientist, has been an ardent supporter of privatisation and tax benefits. He was the first central Asian leader to introduce a new currency, the som, in May 1993. It has become the most stable in the region.

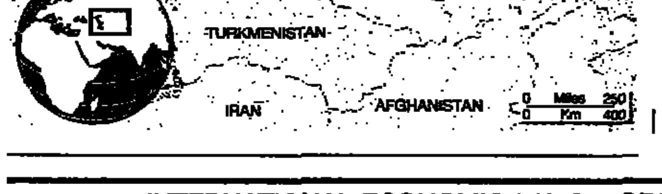
All this has drawn in the Canadian mining company Cameco, which has invested $360m in Kyrgyzstan and now employs 1,800 there. It is the country's biggest foreign investor and has formed a joint venture with the state-owned company Kyrgyzaltyn to exploit the Kumtor gold mine.

The economic policy has won enthusiastic support from western governments and international donor organisations, which in June pledged $650m to support the reforms.

As in other newly independent states of the region, the cost of economic reform is high. Unemployment is put officially at 2.5 per cent, though other evidence suggests it is much nearer 20 per cent. Those who do have work, most notably teachers, are often underpaid with a salary equivalent to $20-$30 a month or do not get paid at all for weeks at a time.

The only way to get out of this slump, according to Mr Akayev, is to continue with the reforms and to attract foreign investment: that was his electoral message.

Kyrgyzstan's election sets it apart from neighbouring Kazakhstan, Turkmenistan and Uzbekistan, where the authorities have avoided elections by extending their terms in office by referendum until 2000.




INTERNATIONAL NEWS DIGEST

# Chileans sue LME company

Codelco, the Chilean national copper company, has started legal proceedings against Sogemin, the London Metal Exchange trading company, over loss-making futures deals which cost the company more than $170m in 1993, the Chilean government announced yesterday.

The action, brought in London, is the first legal step Codelco has taken against foreign copper brokers after a government investigation lasting nearly two years. Codelco was suing Sogemin over what it claimed were improper payments to do with the deals, said Mr Luis Bates, chairman of the State Defence Council, a government watchdog.

All the loss-making deals were done by Mr Juan Pablo Dávila, a former Codelco executive since sacked and charged with fraud. Codelco, the world's largest copper producer, hopes the legal action will allow it to recover at least some of its losses from the failed trades. *Reuter, Santiago*

## Jordan, Egypt agree on Iraq

King Hussein of Jordan and President Hosni Mubarak of Egypt, who had seemed to be growing apart over Iraq policy, said yesterday they shared a common approach to that country.

Emerging from a two-hour meeting at the king's palace overlooking the Red Sea, the two leaders said they had agreed that the future of Iraq should be determined by the Iraqi people, not by outside forces.

"There is no difference between us in terms of ideas and inclinations toward Iraq," Mr Mubarak said after the meeting.

In recent weeks, King Hussein has been distancing himself from the Iraqi government, while Mr Mubarak has hinted at improving ties with Iraq. Egypt, an Arab ally of the anti-Iraq forces during the Gulf war, has been critical of a shift in Jordan's policy toward Iraq, apparently because of concerns that a bigger role for Jordan in the region could come at the expense of Egypt.

Jordan was perceived as pro-Iraq during the 1990-1991 Gulf crisis but has been increasingly critical of its eastern neighbour and former ally. In August, King Hussein granted asylum to a son-in-law of the Iraqi leader Saddam Hussein and blamed the suffering of the Iraqi people on the latter's policies.

"Both of us support the unity of Iraqi lands. Both of us want to alleviate the suffering of the Iraqi people," Mr Mubarak said yesterday. *AP, Aqaba*

## Cuba sees 5% growth in 1996

Cuba's economy will grow by 5 per cent next year as economic recovery picks up, Mr José Luis Rodríguez, economy minister, told the national assembly yesterday.

The government will continue to cut subsidies to state companies in an effort to slash its budget deficit, Mr Rodríguez said in a report by the Cuban state news agency Prensa Latina, monitored in Mexico City.

The assembly was meeting yesterday to consider the economic plan for 1996, the first such annual plan since the collapse of the Soviet Union in 1990 transformed Cuba's main source of aid and trade. Officials say the economy hit bottom in 1994 after a contraction of 35 per cent. It is expected to record growth of about 2.5 per cent this year.

Growth next year may be aided by a recovery in the sugar harvest after three years of steep declines. *AP, Mexico City*

## Venezuelan nod for oil venture

The Venezuelan government has approved a joint venture by the state oil company Bitor (Bitumenes del Orinoco), the US oil company Conoco and the Norwegian Statoil. These are to go ahead with a $320m plant to make Venezuela's trademark orimulsion boiler fuel, due to produce from 1998.

Bitor, a subsidiary of the state-owned Petróleos de Venezuela, will hold a 40 per cent share, while Conoco and Statoil have a 30 per cent and 20 per cent participation, respectively. Two private Venezuelan engineering companies hold the remaining 10 per cent share. Eighty per cent of the 5m tonnes of the orimulsion produced annually will be sold to Florida Power and Light Company, with the remaining 20 per cent being marketed in Europe. *Raymond Colitt, Caracas*

● Venezuela had completed all its 1995 Brady bond payments, but deferred an unspecified amount of its Paris Club debt, Mr Luis Raúl Matos Azócar, finance minister, said yesterday. He said the deferrals were of "some payments that weren't of the highest priority. Basically, the payments to the Paris Club, some bilateral debt. I don't remember the amount right now." *AP-DJ, Caracas*

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

| 1/2 hour period ending | Provisional Price for Trading on 24.12.95: Pool purchase price £/MWh | Final Prices for Trading on 26.11.95: Pool purchase price £/MWh | Final Prices for Trading on 26.11.95: Pool selling price £/MWh |
|---|---|---|---|
| 0030 | 8.93 | 9.02 | 9.02 |
| 0100 | 8.99 | 8.96 | 10.73 |
| 0130 | 8.99 | 8.96 | 10.73 |
| 0200 | 6.99 | 8.96 | 10.73 |
| 0230 | 6.99 | 8.96 | 10.73 |
| 0300 | 6.99 | 9.02 | 9.02 |
| 0330 | 8.93 | 9.02 | 9.02 |
| 0400 | 8.92 | 8.97 | 8.97 |
| 0430 | 8.91 | 8.92 | 8.92 |
| 0500 | 8.86 | 8.91 | 8.91 |
| 0530 | 8.91 | 8.10 | 8.10 |
| 0600 | 8.91 | 8.09 | 8.09 |
| 0630 | 8.90 | 8.11 | 8.11 |
| 0700 | 8.90 | 8.11 | 8.11 |
| 0730 | 8.89 | 8.11 | 8.11 |
| 0800 | 8.89 | 8.11 | 8.11 |
| 0830 | 8.92 | 8.91 | 8.91 |
| 0900 | 9.10 | 8.96 | 8.96 |
| 0930 | 9.98 | 8.97 | 8.97 |
| 1000 | 13.55 | 8.96 | 10.73 |
| 1030 | 13.55 | 16.39 | 18.17 |
| 1100 | 13.56 | 19.23 | 21.00 |
| 1130 | 13.55 | 19.23 | 21.00 |
| 1200 | 13.55 | 27.73 | 29.51 |
| 1230 | 13.55 | 31.58 | 33.35 |
| 1300 | 13.55 | 31.58 | 33.35 |
| 1330 | 13.55 | 19.23 | 21.00 |
| 1400 | 13.55 | 8.96 | 10.73 |
| 1430 | 10.89 | 16.39 | 18.17 |
| 1500 | 10.11 | 8.96 | 10.73 |
| 1530 | 10.11 | 9.02 | 9.02 |
| 1600 | 10.90 | 16.39 | 18.17 |
| 1630 | 15.01 | 17.53 | 19.31 |
| 1700 | 17.10 | 18.75 | 20.52 |
| 1730 | 16.73 | 32.74 | 34.52 |
| 1800 | 17.10 | 32.74 | 34.52 |
| 1830 | 17.10 | 32.74 | 34.51 |
| 1900 | 17.10 | 32.74 | 34.51 |
| 1930 | 15.01 | 18.74 | 20.52 |
| 2000 | 14.31 | 18.14 | 19.91 |
| 2030 | 14.31 | 17.40 | 19.18 |
| 2100 | 13.87 | 16.61 | 18.38 |
| 2130 | 13.88 | 16.61 | 18.38 |
| 2200 | 13.56 | 16.39 | 18.17 |
| 2230 | 10.90 | 9.07 | 9.07 |
| 2300 | 10.89 | 8.97 | 8.97 |
| 2330 | 9.08 | 8.96 | 8.96 |
| 2400 | 9.10 | 8.93 | 8.93 |

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

| 1/2 hour period ending | Provisional Price for Trading on 25.12.95: Pool purchase price £/MWh | Final Prices for Trading on 27.11.95: Pool purchase price £/MWh | Final Prices for Trading on 27.11.95: Pool selling price £/MWh |
|---|---|---|---|
| 0030 | 11.92 | 9.02 | 9.02 |
| 0100 | 18.81 | 8.93 | 12.28 |
| 0130 | 18.81 | 8.93 | 12.28 |
| 0200 | 18.81 | 8.93 | 12.28 |
| 0230 | 17.47 | 8.93 | 12.28 |
| 0300 | 14.66 | 8.98 | 8.98 |
| 0330 | 14.66 | 8.97 | 8.97 |
| 0400 | 13.55 | 8.93 | 8.93 |
| 0430 | 10.89 | 8.93 | 8.93 |
| 0500 | 8.94 | 8.93 | 8.93 |
| 0530 | 9.09 | 8.97 | 8.97 |
| 0600 | 9.09 | 8.97 | 8.27 |
| 0630 | 9.09 | 9.07 | 9.07 |
| 0700 | 9.09 | 13.35 | 16.70 |
| 0730 | 9.10 | 32.98 | 36.37 |
| 0800 | 9.10 | 36.18 | 39.64 |
| 0830 | 9.10 | 36.46 | 39.99 |
| 0900 | 10.90 | 39.75 | 43.38 |
| 0930 | 14.54 | 39.96 | 43.65 |
| 1000 | 14.54 | 40.07 | 43.71 |
| 1030 | 14.54 | 36.97 | 40.65 |
| 1100 | 14.54 | 36.96 | 40.63 |
| 1130 | 15.66 | 37.40 | 41.21 |
| 1200 | 18.11 | 51.51 | 55.43 |
| 1230 | 20.28 | 51.43 | 55.33 |
| 1300 | 20.28 | 37.32 | 41.11 |
| 1330 | 15.56 | 39.29 | 42.90 |
| 1400 | 14.54 | 39.08 | 42.64 |
| 1430 | 9.99 | 38.93 | 42.45 |
| 1500 | 10.90 | 40.57 | 44.07 |
| 1530 | 9.09 | 41.33 | 45.08 |
| 1600 | 9.09 | 36.13 | 36.13 |
| 1630 | 10.89 | 178.09 | 216.02 |
| 1700 | 9.99 | 300.71 | 351.45 |
| 1730 | 9.99 | 325.82 | 374.17 |
| 1800 | 9.99 | 227.35 | 262.72 |
| 1830 | 9.99 | 116.08 | 133.65 |
| 1900 | 9.99 | 65.00 | 73.50 |
| 1930 | 9.99 | 46.00 | 51.18 |
| 2000 | 9.99 | 40.80 | 44.61 |
| 2030 | 6.03 | 39.12 | 42.54 |
| 2100 | 10.89 | 38.91 | 42.27 |
| 2130 | 9.09 | 38.88 | 42.23 |
| 2200 | 9.10 | 32.91 | 36.26 |
| 2230 | 9.10 | 20.82 | 24.16 |
| 2300 | 8.92 | 19.65 | 23.00 |
| 2330 | 8.92 | 13.35 | 16.69 |
| 2400 | 9.10 | 9.02 | 9.02 |

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

| 1/2 hour period ending | Provisional Price for Trading on 26.12.95: Pool purchase price £/MWh | Final Prices for Trading on 28.11.95: Pool purchase price £/MWh | Final Prices for Trading on 28.11.95: Pool selling price £/MWh |
|---|---|---|---|
| 0030 | 10.90 | 9.07 | 9.07 |
| 0100 | 20.64 | 24.36 | 26.37 |
| 0130 | 20.64 | 24.36 | 26.37 |
| 0200 | 20.64 | 24.36 | 26.37 |
| 0230 | 20.64 | 13.35 | 15.36 |
| 0300 | 15.57 | 13.35 | 15.36 |
| 0330 | 14.95 | 13.35 | 15.36 |
| 0400 | 14.89 | 13.35 | 15.36 |
| 0430 | 9.99 | 9.04 | 9.04 |
| 0500 | 9.99 | 9.02 | 9.02 |
| 0530 | 9.09 | 9.02 | 9.02 |
| 0600 | 8.90 | 9.02 | 9.02 |
| 0630 | 8.91 | 12.90 | 14.50 |
| 0700 | 8.91 | 19.78 | 21.79 |
| 0730 | 9.09 | 31.42 | 33.44 |
| 0800 | 9.09 | 32.38 | 34.40 |
| 0830 | 9.10 | 32.53 | 34.57 |
| 0900 | 9.11 | 33.39 | 35.48 |
| 0930 | 9.98 | 33.08 | 35.23 |
| 1000 | 10.90 | 36.56 | 38.75 |
| 1030 | 9.99 | 36.68 | 38.91 |
| 1100 | 9.99 | 37.65 | 39.93 |
| 1130 | 9.99 | 41.69 | 44.03 |
| 1200 | 9.99 | 48.07 | 50.49 |
| 1230 | 9.99 | 48.05 | 50.45 |
| 1300 | 9.99 | 48.01 | 50.41 |
| 1330 | 9.99 | 37.75 | 40.07 |
| 1400 | 9.99 | 36.85 | 39.14 |
| 1430 | 9.99 | 33.80 | 36.02 |
| 1500 | 9.99 | 33.70 | 35.90 |
| 1530 | 9.99 | 34.41 | 36.85 |
| 1600 | 9.99 | 49.67 | 56.86 |
| 1630 | 13.72 | 141.70 | 169.77 |
| 1700 | 15.11 | 284.68 | 334.38 |
| 1730 | 15.11 | 342.39 | 381.10 |
| 1800 | 16.11 | 276.11 | 313.56 |
| 1830 | 15.11 | 128.44 | 147.42 |
| 1900 | 15.11 | 65.90 | 73.58 |
| 1930 | 15.11 | 49.98 | 54.40 |
| 2000 | 13.73 | 39.16 | 41.79 |
| 2030 | 13.72 | 37.43 | 39.58 |
| 2100 | 9.99 | 35.20 | 37.28 |
| 2130 | 10.90 | 32.45 | 34.47 |
| 2200 | 10.89 | 35.01 | 37.02 |
| 2230 | 9.99 | 18.68 | 20.69 |
| 2300 | 8.11 | 19.78 | 21.79 |
| 2330 | 8.11 | 12.64 | 14.65 |
| 2400 | 9.09 | 9.02 | 9.02 |

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

| 1/2 hour period ending | Provisional Price for Trading on 27.12.95: Pool purchase price £/MWh | Final Prices for Trading on 29.11.95: Pool purchase price £/MWh | Final Prices for Trading on 29.11.95: Pool selling price £/MWh |
|---|---|---|---|
| 0030 | 9.99 | 9.07 | 9.07 |
| 0100 | 16.92 | 12.64 | 15.39 |
| 0130 | 16.92 | 25.44 | 28.18 |
| 0200 | 16.92 | 25.44 | 28.18 |
| 0230 | 16.92 | 20.68 | 23.42 |
| 0300 | 16.92 | 12.50 | 15.24 |
| 0330 | 15.12 | 12.50 | 15.24 |
| 0400 | 10.90 | 12.50 | 15.24 |
| 0430 | 9.09 | 9.04 | 9.04 |
| 0500 | 9.02 | 9.02 | 9.02 |
| 0530 | 8.95 | 9.02 | 9.02 |
| 0600 | 7.03 | 9.04 | 9.04 |
| 0630 | 7.03 | 12.20 | 14.94 |
| 0700 | 7.03 | 19.71 | 22.46 |
| 0730 | 9.98 | 32.16 | 34.32 |
| 0800 | 9.98 | 34.91 | 37.74 |
| 0830 | 9.99 | 35.05 | 37.91 |
| 0900 | 14.43 | 35.31 | 38.26 |
| 0930 | 15.90 | 38.21 | 41.21 |
| 1000 | 15.90 | 39.93 | 42.98 |
| 1030 | 15.90 | 38.37 | 41.42 |
| 1100 | 15.90 | 38.38 | 41.43 |
| 1130 | 15.90 | 40.07 | 43.16 |
| 1200 | 11.79 | 40.16 | 43.27 |
| 1230 | 14.54 | 40.04 | 43.11 |
| 1300 | 14.78 | 38.20 | 41.20 |
| 1330 | 14.78 | 37.90 | 40.81 |
| 1400 | 15.43 | 35.12 | 37.98 |
| 1430 | 9.05 | 35.07 | 37.93 |
| 1500 | 9.04 | 33.37 | 36.22 |
| 1530 | 9.05 | 33.78 | 36.77 |
| 1600 | 9.98 | 43.82 | 50.06 |
| 1630 | 15.85 | 125.89 | 150.59 |
| 1700 | 16.24 | 237.46 | 280.22 |
| 1730 | 44.80 | 276.53 | 318.33 |
| 1800 | 44.80 | 222.21 | 256.33 |
| 1830 | 22.35 | 113.48 | 130.76 |
| 1900 | 15.43 | 66.15 | 74.57 |
| 1930 | 15.85 | 50.07 | 55.04 |
| 2000 | 14.78 | 40.58 | 44.02 |
| 2030 | 14.24 | 37.39 | 40.33 |
| 2100 | 13.93 | 34.32 | 37.13 |
| 2130 | 13.89 | 34.14 | 36.89 |
| 2200 | 13.38 | 32.29 | 35.03 |
| 2230 | 13.38 | 19.70 | 22.45 |
| 2300 | 9.96 | 19.70 | 22.45 |
| 2330 | 8.94 | 12.48 | 16.22 |
| 2400 | 8.90 | 12.48 | 15.22 |

[illegible]

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## INTERNATIONAL ECONOMIC INDICATORS: **PRODUCTION AND EMPLOYMENT**

Yearly data for retail sales volume and industrial production plus all data for the vacancy rate indicator are in index form with 1985=100. Quarterly and monthly data for retail sales and industrial production show the percentage change over the corresponding period in the previous year, and are positive unless *otherwise* stated. The unemployment rate is shown as a percentage of the total labour force. Figures for the composite leading indicator are end-period values.

**■ UNITED STATES**

| | Retail sales volume | Industrial production | Unemployment rate | Vacancy rate indicator | Composite leading indicator |
|---|---|---|---|---|---|
| 1985 | 100.0 | 100.0 | 7.1 | 100.0 | 91.3 |
| 1986 | 105.5 | 100.9 | 6.9 | 98.3 | 95.5 |
| 1987 | 108.4 | 106.0 | 6.1 | 106.3 | 96.6 |
| 1988 | 112.6 | 110.7 | 5.4 | 107.6 | 100.1 |
| 1989 | 115.6 | 112.4 | 5.2 | 101.4 | 98.9 |
| 1990 | 116.4 | 112.4 | 5.4 | 87.0 | 95.1 |
| 1991 | 114.0 | 110.4 | 6.6 | 64.6 | 100.0 |
| 1992 | 117.5 | 114.2 | 7.3 | 63.9 | 104.8 |
| 1993 | 123.8 | 118.2 | 6.7 | 69.0 | 110.4 |
| 1994 | 131.2 | 125.1 | 6.0 | 78.9 | 112.5 |
| 4th qtr.1994 | 5.7 | 6.6 | 5.5 | 83.6 | 112.5 |
| 1st qtr.1995 | 4.7 | 5.5 | 5.5 | 79.7 | 111.9 |
| 2nd qtr.1995 | 4.3 | 3.3 | 5.6 | 78.0 | 111.0 |
| 3rd qtr.1995 | 4.5 | 3.0 | 5.6 | 78.4 | 112.3 |
| December 1994 | 4.9 | 6.4 | 5.4 | 84.9 | 112.5 |
| January 1995 | 6.7 | 6.3 | 5.6 | 78.8 | 112.6 |
| February | 3.9 | 5.4 | 5.4 | 80.9 | 112.1 |
| March | 3.4 | 4.7 | 5.4 | 79.6 | 111.9 |
| April | 3.3 | 3.9 | 5.7 | 79.7 | 111.4 |
| May | 4.6 | 3.3 | 5.6 | 77.1 | 111.2 |
| June | 4.9 | 2.8 | 5.5 | 77.0 | 111.0 |
| July | 4.9 | 2.7 | 5.6 | 79.2 | 111.1 |
| August | 4.3 | 3.2 | 5.6 | 79.3 | 111.9 |
| September | 4.3 | 3.2 | 5.6 | 76.6 | 112.3 |
| October | | 2.2 | 5.4 | 79.5 | 112.1 |
| November | | 1.9 | | | |

**■ JAPAN**

| | Retail sales volume | Industrial production | Unemployment rate | Vacancy rate indicator | Composite leading indicator |
|---|---|---|---|---|---|
| 1985 | 100.0 | 100.0 | 2.6 | 100.0 | 76.4 |
| 1986 | 106.6 | 99.7 | 2.8 | 94.3 | 83.5 |
| 1987 | 113.8 | 103.1 | 2.8 | 108.3 | 91.3 |
| 1988 | 122.6 | 113.1 | 2.5 | 135.9 | 96.8 |
| 1989 | 132.5 | 119.7 | 2.2 | 147.0 | 98.9 |
| 1990 | 141.7 | 124.5 | 2.1 | 149.8 | 96.1 |
| 1991 | 144.6 | 126.8 | 2.1 | 144.2 | 93.3 |
| 1992 | 139.9 | 119.0 | 2.1 | 124.2 | 92.3 |
| 1993 | 131.8 | 113.6 | 2.5 | 106.6 | 97.7 |
| 1994 | 129.6 | 114.5 | 2.9 | 102.2 | 105.6 |
| 4th qtr.1994 | −0.7 | 6.2 | 2.9 | 102.4 | 105.6 |
| 1st qtr.1995 | −2.3 | 6.1 | 2.9 | 107.6 | 106.1 |
| 2nd qtr.1995 | −0.8 | 4.9 | 3.1 | 105.8 | 107.0 |
| 3rd qtr.1995 | 0.5 | 0.9 | 3.2 | 104.2 | 108.9 |
| December 1994 | −1.0 | 7.1 | 2.8 | 102.2 | 105.6 |
| January 1995 | −4.0 | 4.9 | 2.9 | 101.8 | 105.6 |
| February | −1.8 | 7.4 | 2.9 | 115.2 | 105.9 |
| March | −1.1 | 5.9 | 3.0 | 105.6 | 106.1 |
| April | −1.5 | 6.0 | 3.1 | 102.2 | 106.2 |
| May | −0.7 | 5.6 | 3.1 | 110.3 | 106.6 |
| June | −0.3 | 3.2 | 3.2 | 104.7 | 107.0 |
| July | −0.9 | 1.3 | 3.2 | 102.2 | 107.3 |
| August | 0.7 | 1.0 | 3.2 | 106.9 | 108.1 |
| September | 1.8 | 0.5 | 3.2 | 103.6 | 108.9 |
| October | | 1.3 | 3.2 | 110.1 | 109.4 |
| November | | | | | |

**■ GERMANY**

| | Retail sales volume | Industrial production | Unemployment rate | Vacancy rate indicator | Composite leading indicator |
|---|---|---|---|---|---|
| 1985 | 100.0 | 100.0 | 7.1 | 100.0 | 89.7 |
| 1986 | 103.4 | 102.2 | 6.4 | 136.9 | 89.4 |
| 1987 | 107.4 | 102.6 | 6.2 | 149.5 | 90.1 |
| 1988 | 110.5 | 106.3 | 6.2 | 165.1 | 95.6 |
| 1989 | 114.2 | 111.4 | 5.6 | 219.5 | 97.8 |
| 1990 | 123.5 | 117.2 | 4.8 | 261.9 | 98.2 |
| 1991 | 130.5 | 118.1 | 4.2 | 297.9 | 95.4 |
| 1992 | 127.7 | 116.5 | 4.6 | 287.9 | 89.5 |
| 1993 | 122.3 | 109.1 | 6.1 | 229.0 | 95.5 |
| 1994 | 120.4 | 113.9 | 6.8 | 240.6 | 104.0 |
| 4th qtr.1994 | −2.3 | 7.1 | 6.8 | 262.7 | 104.0 |
| 1st qtr.1995 | | 3.0 | 6.7 | 271.9 | 102.3 |
| 2nd qtr.1995 | | 1.8 | 6.8 | 276.7 | 102.2 |
| 3rd qtr.1995 | | −0.2 | | 265.8 | 101.1 |
| December 1994 | −1.1 | 7.4 | 6.8 | 258.8 | 104.0 |
| January 1995 | | 2.2 | 6.7 | 263.8 | 103.4 |
| February | | 5.5 | 6.7 | 270.5 | 102.7 |
| March | | 1.2 | 6.7 | 280.5 | 102.8 |
| April | | 1.7 | 6.8 | 279.7 | 102.1 |
| May | | 3.1 | 6.8 | 277.2 | 103.3 |
| June | | 0.6 | 6.8 | 272.2 | 102.2 |
| July | | 1.0 | 6.8 | 270.5 | 101.6 |
| August | | −0.3 | | 264.8 | 101.5 |
| September | | −1.2 | | 261.3 | 101.1 |
| October | | −3.4 | | 258.0 | 101.2 |
| November | | | | 259.6 | |

**■ FRANCE**

| | Retail sales volume | Industrial production | Unemployment rate | Vacancy rate indicator | Composite leading indicator |
|---|---|---|---|---|---|
| 1985 | 100.0 | 100.0 | 10.3 | 100.0 | 90.8 |
| 1986 | 102.4 | 101.2 | 10.4 | 107.0 | 96.4 |
| 1987 | 104.5 | 103.1 | 10.5 | 117.2 | 96.4 |
| 1988 | 107.9 | 107.3 | 10.0 | 135.3 | 102.0 |
| 1989 | 109.5 | 111.3 | 9.4 | 160.6 | 101.7 |
| 1990 | 110.4 | 112.9 | 8.9 | 163.2 | 95.6 |
| 1991 | 110.3 | 113.3 | 9.4 | 128.2 | 96.7 |
| 1992 | 110.5 | 113.2 | 10.4 | 109.5 | 94.9 |
| 1993 | 110.7 | 110.2 | 11.7 | 90.0 | 98.1 |
| 1994 | 110.8 | 114.4 | 12.3 | 104.1 | 102.5 |
| 4th qtr.1994 | −0.5 | 5.5 | 12.0 | 103.5 | 102.5 |
| 1st qtr.1995 | 0.5 | 5.5 | 11.8 | 119.3 | 101.2 |
| 2nd qtr.1995 | 1.1 | 3.4 | 11.6 | | 100.8 |
| 3rd qtr.1995 | 0.4 | 1.7 | 11.4 | | 97.7 |
| December 1994 | 0.9 | 6.6 | 12.0 | 98.7 | 102.5 |
| January 1995 | 2.4 | 5.9 | 11.9 | 110.6 | 102.3 |
| February | 0.6 | 4.3 | 11.8 | 119.1 | 101.7 |
| March | −1.5 | 6.2 | 11.7 | 128.1 | 101.2 |
| April | 0.2 | 2.1 | 11.6 | | 101.9 |
| May | 2.6 | 3.9 | 11.6 | | 101.5 |
| June | 0.5 | 4.2 | 11.5 | | 100.8 |
| July | 1.8 | 2.3 | 11.4 | | 100.3 |
| August | 0.0 | 2.3 | 11.4 | | 99.5 |
| September | −0.6 | 0.5 | 11.5 | | 97.7 |
| October | −4.8 | −0.9 | 11.5 | | 98.3 |
| November | | | | | |

**■ ITALY**

| | Retail sales volume | Industrial production | Unemployment rate | Composite leading indicator |
|---|---|---|---|---|
| 1985 | 100.0 | 100.0 | 9.6 | 88.3 |
| 1986 | 106.9 | 104.1 | 10.4 | 94.3 |
| 1987 | 112.1 | 106.8 | 10.9 | 95.9 |
| 1988 | 107.9 | 114.2 | 10.9 | 100.2 |
| 1989 | 116.9 | 118.7 | 10.9 | 98.3 |
| 1990 | 114.5 | 118.0 | 10.3 | 95.0 |
| 1991 | 110.9 | 116.9 | 9.8 | 97.1 |
| 1992 | 116.9 | 115.4 | 9.8 | 94.1 |
| 1993 | 114.1 | 113.0 | 10.2 | 100.9 |
| 1994 | 107.4 | 119.9 | 11.1 | 102.9 |
| 4th qtr.1994 | −7.4 | 9.7 | 11.4 | 102.9 |
| 1st qtr.1995 | −3.6 | 9.0 | 12.2 | 101.6 |
| 2nd qtr.1995 | −4.5 | 5.9 | 12.2 | 101.8 |
| 3rd qtr.1995 | | 5.7 | 12.1 | 102.5 |
| December 1994 | −2.5 | 15.0 | n.a. | 102.9 |
| January 1995 | 0.9 | 9.8 | n.a. | 102.6 |
| February | −1.4 | 8.1 | n.a. | 102.2 |
| March | −10.1 | 9.2 | n.a. | 101.6 |
| April | −2.1 | 5.4 | n.a. | 101.2 |
| May | −6.3 | 7.1 | n.a. | 101.4 |
| June | −5.0 | 5.4 | n.a. | 101.6 |
| July | −3.5 | 4.0 | n.a. | 102.5 |
| August | 3.9 | 8.0 | n.a. | 102.8 |
| September | | 5.0 | n.a. | 102.5 |
| October | | | n.a. | 100.7 |
| November | | | | |

**■ UNITED KINGDOM**

| | Retail sales volume | Industrial production | Unemployment rate | Vacancy rate indicator | Composite leading indicator |
|---|---|---|---|---|---|
| 1985 | 100.0 | 100.0 | 11.2 | 100.0 | 90.0 |
| 1986 | 105.3 | 102.5 | 11.2 | 116.1 | 93.0 |
| 1987 | 110.8 | 106.5 | 10.3 | 141.0 | 97.1 |
| 1988 | 117.8 | 111.6 | 8.6 | 144.0 | 95.7 |
| 1989 | 120.1 | 114.0 | 7.2 | 124.3 | 93.5 |
| 1990 | 121.1 | 113.7 | 6.8 | 97.8 | 91.6 |
| 1991 | 119.4 | 109.5 | 8.8 | 68.6 | 95.0 |
| 1992 | 120.4 | 109.4 | 10.1 | 69.6 | 98.8 |
| 1993 | 123.9 | 111.5 | 10.4 | 76.5 | 105.9 |
| 1994 | 128.5 | 117.1 | 9.5 | 93.9 | 108.3 |
| 4th qtr.1994 | 3.5 | 4.5 | 9.0 | 105.3 | 108.3 |
| 1st qtr.1995 | 1.4 | 4.2 | 8.7 | 103.5 | 108.3 |
| 2nd qtr.1995 | 1.4 | 2.0 | 8.8 | 106.3 | 108.6 |
| 3rd qtr.1995 | 0.5 | 1.4 | 8.7 | 109.1 | 108.5 |
| December 1994 | 3.9 | 4.0 | 8.8 | 105.3 | 108.3 |
| January 1995 | 0.3 | 3.7 | 8.7 | 104.2 | 108.4 |
| February | 2.4 | 3.9 | 8.7 | 103.0 | 108.2 |
| March | 1.5 | 5.2 | 8.8 | 103.3 | 108.3 |
| April | 1.8 | 2.6 | 8.8 | 107.2 | 108.6 |
| May | 1.2 | 1.7 | 8.8 | 105.9 | 108.8 |
| June | 1.2 | 1.7 | 8.8 | 106.0 | 108.6 |
| July | 1.2 | 2.1 | 8.8 | 108.1 | 108.4 |
| August | 0.4 | 1.1 | 8.7 | 107.8 | 108.4 |
| September | −0.1 | 1.0 | 8.6 | 113.7 | 108.5 |
| October | 0.3 | 0.6 | 8.6 | 112.5 | 108.2 |
| November | 1.0 | | | 113.8 | |

All series seasonally adjusted. Statistics for Germany apply only to western Germany. Data supplied by Datastream and WEFA. Retail sales volume: data from national government sources except Japan and Italy (value series deflated by OECD using CPI). Refers to total retail sales except France and Italy (major outlets only) and Japan (department stores only). Industrial production: data from national government sources. Includes mining, manufacturing, gas, electricity and water supply industries except Japan (mining and manufacturing only) and UK (also includes construction industries). Unemployment rate: OECD standardised rate which adjusts as far as possible for the different definitions of unemployment used in official sources. Vacancy rate indicator: relevant vacancy measure divided by total civilian employment, expressed in index form. Derived from OECD series. US – help-wanted advertising. Japan – new vacancies. Germany and France – all jobs vacant. Italy – no data available. UK – unfilled vacancies. Composite leading indicator: OECD data. Each is a combination of series, cyclical fluctuations which usually precede cyclical fluctuations in general economic activity.

National Westminster says decision was unrelated to 'concerns' about privatisation

# Bank ends backing for rail bidders

By George Parker, Charles Batchelor and George Graham

National Westminster Bank has withdrawn its backing from a number of bids for rail franchises, including the Great Western passenger service which was awarded this week.

NatWest said it had withdrawn its backing for "commercial reasons" and added: "It is absolutely and categorically not the case that we pulled out because of concerns about rail privatisation." Officials could not say whether it was involved in any further bids.

NatWest's decision to withdraw from backing buy-out teams seeking to acquire rail assets is understood to have caused problems for the management/employee bid for Great Western and to have revived the chances of the bid by Resurgence Railway, an independent management group.

But Great Western managed to find an alternative source of mezzanine finance – high-yielding loans with a risk profile close to equity – from Intermediate Capital Group and Royal Bank of Scotland and was ultimately successful. The main Great Western lines run from London to Bath, Bristol, south Wales and the south-west England counties of Devon and Cornwall.

According to the European Freight Management newsletter, NatWest has withdrawn from three other bids as well as Great Western. It says these are a rolling stock leasing company, Rail Express Systems – which runs mail trains and the Royal Train – and the Freightliner container service.

Asked about the bids, NatWest told the newsletter: "We had been involved and we are no longer."

Last week Sir George Young, transport secretary, claimed the first wave of franchises showed that the private sector could provide better services and more investment for lower subsidy.

Mr Brian Wilson, chief transport spokesman with the opposition Labour party, claimed that NatWest's withdrawal was a sign that rail privatisation was seriously flawed. He said: "I warmly welcome this decision by NatWest, which I am sure other key investors will follow. Labour's message is that they should stay clear of this high-risk and totally unwanted privatisation."

● Last week saw the final sailing of the rail freight ferry Nord Pas de Calais which has been carrying about 1m tonnes of cargo between Dover in southern England and Dunkirk in France each year. Competition from the Channel tunnel has been blamed.

**Accountancy** 'The three top growth areas for big firms are Asia, Asia and North America'

# Big institutions reticent about own figures

By Jim Kelly, Accountancy Correspondent

Coopers & Lybrand has announced its 1994-95 worldwide fee income at $6.2bn – up 13 per cent on last year – and thus completed the global revenue results for Britain's "Big Six" accountancy firms.

The annual world fee income table is as keenly watched as its UK counterpart. It is, however, arguably even less worth reading. It merely illuminates the lack of useful internal information flowing out of some of the world's leading financial service organisations.

The UK version is undermined by annual disagreements about the comparability of the figures. As a general rule, the lower down the table a firm is placed, the more likely it is to discover a good reason why the figures should not be relied upon.

There is less disagreement over the global figures, probably because they are bland to the point of being largely meaningless. The Big Six shared similar growth rates in 1994-95 – except for the rapidly expanding operations of Arthur Andersen, the Chicago-based giant which threatenes to dwarf the rest. Its growth rate of 21 per cent is startling.

The even pace of growth among five of the Big Six reflects the competitive nature of the market and the fact that their client base is largely a common one. In many ways their performance reflects that of the multinational clients which provide the bedrock of their income.

**THE BIG SIX: Global fee figures for 1994-95**

| Firm | Revenue 1994-95 ($b) | Revenue 93-94 ($bn) | Growth (%) |
|---|---|---|---|
| Arthur Andersen | 8.1 | 6.7 | 21 |
| KPMG | 7.5 | 6.6 | 13 |
| Ernst & Young | 6.9 | 6.0 | 14 |
| Coopers & Lybrand | 6.2 | 5.5 | 13 |
| Deloitte Touche Tohmatsu | 6.0 | 5.2 | 14 |
| Price Waterhouse | 4.5 | 4.0 | 12 |

There is, however, increasing scepticism over the real worth of these Big Six comparisons. Fundamentally the whole operation is flawed by its basis – fee income or total billings rather than profitability or a measure of return on investment.

There is plenty of bickering, behind the scenes at least, over what actually goes into the final fee figures. Some of the firms use "total billings" for example – including income which might be passed on to a third, sub-contracted, party. Others say they show net revenue and nothing more. Others claim to show net revenue or pure "value added" income.

Any comparison between the Big Six on a global basis is flawed. Most are at varying stages in the metamorphosis from being a loose band of accountancy firms in different countries sharing a brand name to truly global financial service organisations.

The third reason for not treating the Big Six fee income table as a useful benchmark is that in a real sense the firms are no longer competitors. They have grown beyond the auditing and accounting services base which gave them an initial similarity. Their real competitors are often not in the table at all.

Mr Peter Smith, chairman of Coopers & Lybrand International, believes comparisons between the Big Six are now "dated". Coopers' big growth areas in 1994-95 were tax – up 18 per cent – and advice on actuarial issues and human resources from pay to career planning – up 22 per cent. On tax, for example, the competition is not the Big Six but lawyers, says Mr Smith.

Coopers is attempting to get a grip on the global issue: striving to provide its multinational clients with a truly international service that crosses borders without changing quality. It has reformed its structures to give its international board an operational arm – with support partners in many countries.

"We could see the enormity of the task and it become quite clear that we needed to put more muscle into implementation," says Mr Pat Sherry, international executive partner for Coopers & Lybrand. The main growth area here is seen as the globalisation, or in many cases the regionalisation, of the middle market company.

Sherry says that actually getting the firm to work on a global basis is the challenge. "It is very easy to have international as a marzipan layer over the national firms," he says.

Standardisation of technology and education are seen as ways of making globalisation a reality. Senior staff now attend courses in the US, at Harvard, and in Europe at Insead, near Paris. The firm hopes that a junior inducted in Shanghai will get exactly the same training as a new joiner in Chicago. "We are coming at it from many angles," says Mr Sherry.

Internationally, Coopers seeks to encourage national firms to merge where it makes economic sense. In Latin America, for example, mergers are being designed to reflect international trade pacts. In eastern Asia, consultancy practices have been urged to join forces. "We are not sitting back in head office and drawing boxes," says Mr Sherry.

As to where the growth is coming from, Mr Sherry has a simple answer to the three key regions for the future: "Asia, Asia and Asia," he says. On reflection he amends that: "Asia, Asia, and north America", reflecting continued forecasts of growth in demand for consulting services in the US and Canada.

Fees from China have tripled and Coopers has 300 people on the ground. The firm has 300 multinational clients in China. But it is still early days and investors are cautious. "There will be losses to be made in China before profits are made in China," says Mr Sherry.

Picking the growth area of the future is an impossible task. Actuarial and human resource advice, the current success story, grew from unpromising beginings in an office in Atlanta 25 years ago. Now it is providing a motor for growth within the firm.

Mr Smith thinks partnerships offer fertile ground for such commercial creativity. "Historically, these kind of decisions have been taken faster than people have caught up with the fact that decisions have been taken," he says. "But you tell me where the market's going and we'll be there just a little bit ahead."

# Internet 'may give stimulus to democracy'

By Stephen McGookin in London

Participation in the democratic process could be widened through the influence of the Internet, a rightwing think tank in Britain has argued. A report by the Bow Group examines the potential for electronic electioneering in the UK compared with the US and Europe, and says that the Internet – the worldwide computer network which links upwards of 25m people – could eventually replace the ballot box as a method of voting.

The report's author, Mr Julian Roche, says the Net could make it easier for UK citizens to vote from temporary residences overseas. Electronic voting might eventually cut the cost of elections and speed up counts.

The potential for video-conferencing, putting voters in direct touch with elected representatives, will be "the most important technological development for the growth of politics on the Internet," the report says. The notion of a parliamentary constituency representing a specific geographical area "may have to be revised".

All Britain's main political parties have sites on the World Wide Web – the Internet's graphical interface – and many British government departments are online.

While the number of British MPs with E-mail addresses is low – only around 25 out of 651 – some are fervent advocates of the new technology, even holding online constituency advice sessions.

The interactive nature of the Internet is one of its prize attributes, says Mr Roche. Each of the existing political parties' Internet sites allow readers to E-mail membership requests and queries.

In the US the Internet has empowered citizens' groups such as Project Vote Smart, which tracks elected representatives' activities in Congress and scrutinises their voting records, and makes the data available electronically.

UK NEWS DIGEST

# Telecom curb to be relaxed

Mercury Communications would be in a stronger position to compete against British Telecommunications and its smaller rivals under proposals put forward by Mr Don Cruickshank, the industry watchdog. Mercury is the UK's second-largest telephone company and an offshoot of Cable and Wireless. The proposals would free Mercury from the constraints of being considered a "dominant" operator. In particular, it would no longer have to publish changed prices 28 days in advance which, it has argued, have put it at a disadvantage to other companies. It would also be able to put together innovative pricing packages.

Mr Cruickshank proposes a "slimline" operating licence for Mercury, similar to that held by smaller, newer telecoms companies. Many of the requirements and conditions in Mercury's existing licence, designed to constrain a dominant operator from behaving anti-competitively, would be deleted.

● Mr Rod Olsen, appointed acting chief executive of Cable and Wireless last week, has been named chairman of Mercury. Mr Olsen replaces Lord Young, who left both C&W and Mercury last month. Mr Stephen Pettit, a member of the C&W board, becomes deputy chairman.

*Alan Cane, Industrial Staff*

## Council behaviour to be probed

The government is to investigate claims that municipal authorities have blocked private sector efforts to bid for professional services contracts under compulsory competitive tendering rules. The companies claim that some local councils are structuring the tenders for housing management, construction, property and legal services – the first wave of white-collar services to go out to tender – in ways that favour their in-house teams.

*Krishna Guha, Public Policy Staff*

## Regulator urges compensation

The water industry regulator yesterday said compensation should be paid to customers for restrictions caused by drought – but not to those who suffered during the recent dry summer. Mr Ian Byatt, director-general of water regulation, proposed conditions in which domestic and business customers should be entitled to compensation if their water supply is cut off or restricted.

All customers affected by rota cuts or standpipes as a result of a drought order should get £10 ($15.40) a day, up to a maximum £100. But this would not apply to hosepipe bans on households without water meters. Business customers would also have the right to compensation under a drought order, though this would require new legislation. The proposals were immediately attacked as inadequate by consumers' organisations.

*David Lascelles, Resources Editor*

## Electricity advisers called in

Professor Stephen Littlechild, the electricity regulator, has appointed three senior businessmen to advise him on the transmission price control review of the National Grid. It is the first time that Prof Littlechild has used outside advisers, and his move will be seen as a response to the debate about the accountability of industry regulators. The advisers are Sir William Barlow, former chairman of BICC; Mr John Sadler, chairman of Pearl Group; and Sir Peter Walters, former chairman of British Petroleum and now chairman of Blue Circle Industries. The panel members will be paid expenses but will receive no remuneration.

*David Wighton, Financial Staff*

MANAGEMENT

**George Bain** suggests policies to ensure a more equal distribution of training for all UK employees

# Right of access

There are problems with in-work training in Britain, but they are not what you might think. The common criticism that British management is particularly reluctant to invest in its own employees' skills development is no longer true. The volume of in-work training is similar in the UK to that provided in other countries. There is worrying evidence, however, of damaging inequality in access to training. In other words, those who most need training are least likely to receive it from their employers.

Research conducted for the Commission on Public Policy and British Business shows that about one-third of employees in the UK, France, Germany and the US report receiving training each year*. This follows a significant increase in provision of employee training in the UK since the mid-1980s.

But it is not all good news. More than half of employees with a degree receive training from their employers compared with only 17 per cent of employees with no qualifications. Similarly, whereas 50 per cent of those in the top quarter of pay distribution receive training, only a fifth of those in the bottom quarter do so. Part of this inequality is explained by the much lower incidence of training in small firms.

Since training leads to pay-offs – higher wages for workers, and higher productivity for employers – inequality in access to training contributes both to the widening of UK pay distribution and to lower than potential productivity levels.

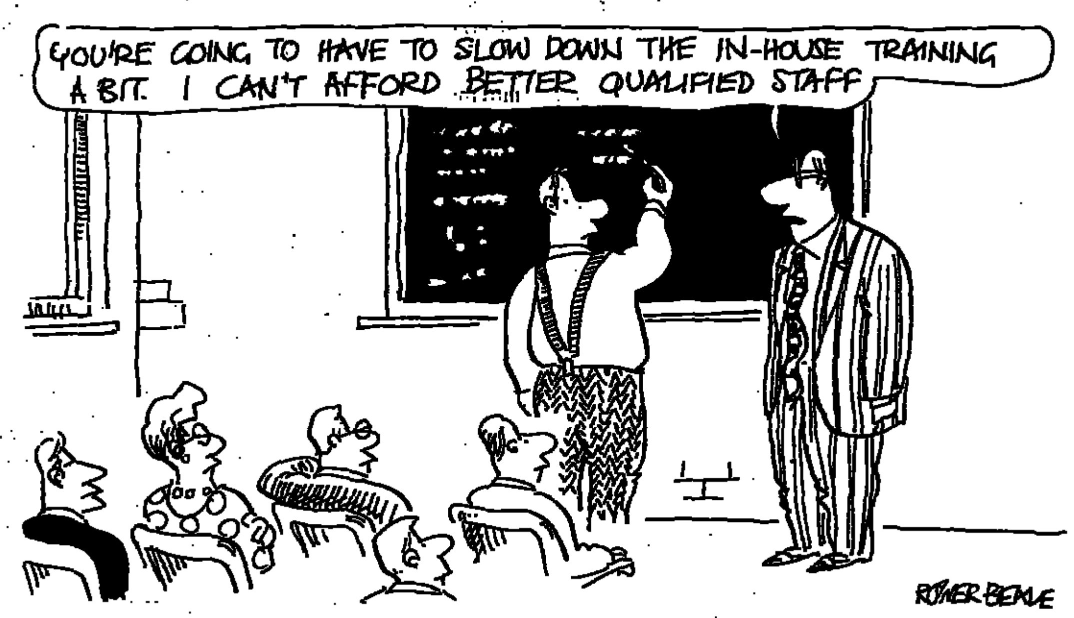
There is a distinct divergence here between a sensible course of action for private organisations and the public interest. It may be perfectly rational for individual employers to concentrate training on their most trainable employees since there is evidence that the returns to training are higher the more skilled the worker. But that may not be optimal for the economy and for society as a whole.

Effective training for Britain's unskilled and low-paid employees would have distinct benefits in terms of reducing income inequality, cutting the number of those dependent on in-work benefits, and making the labour market operate more efficiently. This puts the onus on the state to encourage greater access to employee training.

I believe, however, that many policy proposals for correcting a perceived general deficiency in employee training are misguided because they are inappropriately targeted. Both policies based on carrots (such as national insurance relief) and those based on sticks (training levies) tend to emphasise the proportion of the pay bill spent on training. They would, therefore, do nothing to help unskilled workers receiving no training in firms where a relatively high proportion of the pay bill is spent on training their more skilled colleagues.

One generalist measure which would address the uneven distribution of training is time off for training for each employee as recommended by the National Commission on Education. This rightly concentrates on the individual employee rather than a firm's training expenditure. But there are two difficulties which would have to be ironed out. First, the scheme lacks flexibility. Off-the-job training may be less effective than on-the-job training for certain types of work. Second, and more important, compulsory time off would affect small employers disproportionately since each individual employee is likely to be a significant cog in the firm's wheel. Exemption for small firms is tempting but would defeat the object since small firms are particularly unlikely to train.

Hence I would propose measures which would tackle the distribution problem in two ways: make unskilled employees more attractive training prospects for employers, and create the local apparatus for small firms to train their employees.




The single most important passport to in-work training is having the ability to gain from that training – the core skills of literacy, numeracy, problem solving, familiarity with information technology and social skills. The best way of doing this is through general education in schools and colleges. But that does not help those unskilled workers already in employment.

These workers need access to courses providing basic versions of core skills at minimal cost to them or their employer. Such courses could be provided in local colleges or at workstations provided by companies using interactive computer-based learning systems. Getting employers to provide the time may require some form of incentive or subsidy, but the onus should be upon the state to fund basic employee learning through established methods or via new distance-learning arrangements.

The second proposal concerns the institutional framework for employee training at local level. One very sensible approach to increasing the feasibility of training in small- and medium-sized enterprises is through networks in which a group of small firms collectively contributes toward a training programme for their employees, thereby reaping the economies of scale that large firms enjoy in this area. Such networks could be orchestrated through Training and Enterprise Councils (Tecs) or Local Enterprise Companies which, in addition to their more familiar responsibilities of youth and employment training, are charged with developing employee training. If they were to take more of a lead in this area, however, the Tecs' funding regulations would need to be relaxed to enable them to spend a greater proportion of the resources on the promotion and facilitation of in-work training.

**Stephen Machin and David Wilkinson, Employee Training: Unequal Access and Economic Performance available from the IPPR, £3.95*

*George Bain is principal of the London Business School and chairman of the Commission on Public Policy and British Business*

# Talks aim to stimulate debate

The Guild of Management Consultants is staging a series of talks aimed at stimulating debate on contentious issues. It has lined up Robin Pellew and Jonathon Porritt to talk about "Green economics: a realistic alternative" (January 9), Lord Wakeham, chairman of the Press Complaints Commission, "The media is there to help", (February 20), Maurice Saatchi, "Public opinion is not all that you see and read", (March 5) and Glenys Kinnock, MEP, "Politics is more than legislation and lobbying", (May 9).

The guild says it has been inspired by some of the themes which emerged from the Royal Society of Arts' study entitled *Tomorrow's Company*.

The early evening talks will be held at Skinners' Hall, City of London.

*The Guild of Management Consultants, 2 Bolts Hill, Castle Camps, Cambridge, CB1 6TL.*

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Financial contributions are less important to the success of a joint venture than other contributions such as market knowledge, technical expertise, reputations and contacts, according to an international joint venture survey carried out by Coopers & Lybrand.

The survey comprised 136 respondents from 12 countries and covered the leading industry sectors.

It also showed that the reasons for setting up joint ventures were primarily strategic, focusing on access to new markets and acquiring new technology and expertise.

Eighty one per cent of respondents intend to create more ventures in future.

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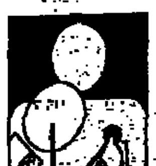
The Good Energy Manager's Guide mentioned on this page in the issue of December 13 is sponsored by British Gas as well as the Institute of Energy.

**Tim Dickson**

# An unhealthy working week

Stress-related illness costs the UK up to $4.6bn a year, says **Carol Cooper**



HEALTH CHECK

The 84-hour working week at blast furnaces was cut in 1890, reducing accidents and absenteeism, but more than a century later management has yet to realise that long hours can be counterproductive.

A recent report from the recruitment organisation Austin Knight reveals that 37 per cent of the white-collar men interviewed work more than 50 hours a week. Among senior staff this proportion rises to 45 per cent. In the current work culture, more hours are not only needed to get work done but may also seem a necessary precaution against redundancy.

Long hours can obviously disrupt social and family life, and there is evidence that they damage health too. In 1960, a Californian study of workers aged under 45 showed that those working over 48 hours a week had twice the risk of dying from heart disease than those working a maximum of 40 hours.

Another piece of research found that 40 per cent of young patients who had had a heart attack worked more than 60 hours a week.

Exactly how long hours harm the heart is unclear, though it may be partly through unhealthy eating and lack of exercise. It has also been shown that people with mild hypertension have a higher blood pressure at work than at home.

Sudden death from overwork, better known as *karoshi*, is thought to kill up to 10,000 white-collar workers in Japan every year. It is recognised by the Tokyo government and many surviving families have successfully claimed compensation.

Most *karoshi* victims are middle-aged, two-thirds work more than 60 hours a week, and death occurs from stroke in about 60 per cent or coronary heart disease in about 38 per cent. Again, the mechanism is uncertain, but cultural or ethnic factors could be important here; for instance, stroke is more common in Japan than in Europe.

In Austin Knight's report, 76 per cent of workers believe that long hours adversely affect their physical health. There is evidence, albeit mostly anecdotal, of minor health problems in those who work excessive hours. At weekends, overworked executives may regularly suffer sore throats, flu-like symptoms, or migraine ("weekend migraine" has been recognised for decades). Constipation and other bowel symptoms are common in those working long hours.

Stress-related illness is estimated to cost the UK about £3bn ($4.6bn) a year, and hours of work are, occupational psychologists claim, one important factor in occupational stress.

Despite marked differences between individuals, several studies suggest that depressive symptoms are more common in those who work very long hours (roughly over 60 hours a week). To some extent, motivation and commitment protect against depression, but the effects of overwork seem undeniable.

Of course one cannot be positive that long hours cause depression – or any other adverse health effect – since they often accompany job insecurity, change at work, or intense pressure, factors which complicate the issue.

In contrast, there is no doubt that long hours worsen job performance. Research shows that sustained work reduces vigilance and concentration, and decreases the accuracy of tasks done, especially tasks involving information processing, logical reasoning, or reaction times. In the laboratory, a mere 30 minutes of paying attention to sound signals results in progressively less efficient detection of signals.

Another study shows that after 18 hours of continuous work, reasoning and reaction times drop to 40 per cent of the individual's usual efficiency. Any sleep loss further worsens performance, and in the long term people do not learn to manage without sleep.

On the contrary, sleep loss often makes matters worse by bringing on symptoms of depression, anger, or hostility.

In an industrial setting, lapses in concentration can be critical. Martin Moore-Ede of the physiology department at Harvard Medical School believes – and he is not alone – that significant industrial accidents, such as Chernobyl and the spill from the Sandoz factory in Basle, both in 1986, are due mainly to fatigue caused by people having to perform outside what he calls their "design specification".

In the office, the effects of long hours can also be damaging, albeit in a less dramatic way. Vigilance deficits have adverse effects on critical reading, handling figures, and performance at meetings, to name a few everyday tasks. As to what constitutes long hours, a precise figure is difficult because breaks can boost flagging mental powers. However, as a rough guide, research suggests that after 10 or 12 hours one should have called it a day.

*The author is a London GP*

# THE WEEK AHEAD

## DIVIDEND & INTEREST PAYMENTS

**■ MONDAY DECEMBER 25**
Abbey National Treasury 7% Gtd Nts 1996 C$70.0
Ann Street Brewery Rd 2nd Pf 15.1p

**■ TODAY**
Aircraft Lease Portfolio Class A2 FRN Jun 1997 $346.73
Bank fur Arbeit und Wirtschaft Sb FRN 1999 $311.67
Boots 10⅛% Bd 2017 £2531.25
Elf Ent Fin 8¾% Gtd Exch Bd 2006 £218.75
First Private Fin Mezz Asset-Bckd FRN 2021 £2134.76
Do Snr Asset-Bckd FRN 2021 £1589.47
Fuji Bank Int Fin Un Sb Var Rate Nts Y23048.0
Furukawa Elec FRN Mar 1998 Y19173.0
Do Jun 1998 Y19173.0
Guinness Fin Australia 10½% Nts 1997 A$105.0
Halifax Bldg Scty Sb Var Rate Nts £185.04
Italy (Rep of) FRN 2000 $301.93
Marine Midland Bank FR Sb Cap Nts 1996 $153.39
Midland Bank Und FRN (Jun 1985) $318.16
Mitsubishi Fin Int FRN 2000 $25589.06
Mitsubishi Oil 4.2% Bd 2003 Y420000.0
Sabre Int (No 2) Ser P Var Rate Nts 1998 Y18487.0
Skipton Bldg Scty Sb FRN 2000 £39801.54
Stars 1 Class A Fltg Rate Mtg Bckd 2029 £138.36
Sumitomo Realty FRN 1997 Y846904.0
Town Centre Sec 10½% 1st Mtg Db 2021 £5.25



TSB Gilt Fd Ptg Pf 0.88p
Tuntex (Thailand) FRN 1998 $186.20

**■ TOMORROW**
Abbey National Treasury 8¼% Gtd Nts 1995 C$82.50
Abtrust Lloyds Ins Tst 1.55p
Barings Gtd FRN 2001 $15.79
Britannia Bldg Scty FRN 1997 £173.59
Chesterfield Props 4.4p
Jersey Phoenix Tst 1.25p
Smith & Nephew 5½% Cv Bd 2000 $275.0

**■ FRIDAY DECEMBER 29**
ABI Leisure 2.93p
Alex & Alex $0.025
Do Class C 0.016p
Alexanders 9½% Pf 3.325p
All Nippon Airways 4.4% Nts 2000 Y440000.0
Anglo Fin No 2 Mezz FRN 2004 £1913.58
Asprey 6½% Pf 2.275p
Do 9¾% Cm Pf 4.875p
Avon Rubber 4.9% Pf 2.45p
BSG Int 0.7p
Bardon 3.85% Pf 1.925p
Do 11.25p Cm Pf 2005 5.625p
Black & Decker $0.10
Bodycote Int 2.4p
Brake Bros 2.7p
Bridon 10¼% Db 1991/96 £5.125
Do 6⅝% Un Ln 2002/07 £3.3125
Do 7¾% Un Ln 2002/07 £3.875
Britannia Bldg Scty Sb FRN 2006 £2080.68
Britannic Assurance 5% Tax-Free Cm Pf 2.5p
Cadbury Schweppes 8% Nts 2000 £10.89
Chamos 7% Pf 2.45p
Chelsea Bldg scty Sb FRN 1999 £39482.88
Clydeport Operations 3% Irrd £1.50
Do 4% Irrd £2.0
Collateralised Mtg Sec (No 8) Mtg Bckd FRN 2028 £110.21
Do (No 11) Class A Mtg Bckd FRN 2028 £103.88
Commonwealth Bank of Australia 10 Yr Gtd Ext FRN $301.98
Copenhagen Handelsbank Sb FRN 2000 $303.33
Development Sec 11% 1st Mtg Db 2016 £5.50
Dumyat Inv Tst 0.49p
EMAP 5% Pf 1.75
Ebara 4½% Bd 2000 Y450000.0
Emess Cv Pf 3.125p
Engelhard $0.09
Estates & Agency 11¼% 1st Mtg Db 2020 £5.625
Fidelity European Values Equity IL Un Ln 2001 1.0522p
Fidelity Special Values Equity IL Un Ln 2004 £5.273648
F & C Inc Growth Inv Tst 0.75p
Fortnum & Mason 58p
Fujita FRN 1997 Y256728.0
Fulcrum Inv Tst 1.4p
Gartmore Smaller Co's Tst 4.25p
Gaskell 5% Pr 1.75p
Geest 3.7p
General Cons Inv Tst 3p
Grampian 7% Pf 2.45p
Great Universal Stores 5⅜% Rd Ln £2.6875
Do 6⅜% Rd Ln £3.1875
Helene 0.43p
Homer Fin (No 1) Class A FRN 2028 £101.23
Do Class B £219.97
Do (No 3) Class A1 FRN 2036 £82.32
Do Class A2 £175.22
Do Class A3 £178.34
Do Mezz £192.67
Hunting 4.2% Pf 2.1p
Inchcape 7.5p
Italy (Rep of) FRN 1998 $77.41
Jupiter European Inv Tst 1.4p
Kayser Bondor 6% Cm Pf 2.1p
Kyushu Elec 8⅛% Nts 1999 $406.25
London & Assoc Props 0.05p
Morgan Grenfell Equity Inc Tst 0.4p
Narborough Plantations 1.2p
Do 20% Pf 1p
National & Provincial Bldg Scty 8⅝% Nts 1997 £862.50
NHL (3) Class A1 Mtg FRN 2036 £97.82
Do Class A2 £178.34
Do Mezz £192.67
NHL (1) Dfd Int Mtg FRN 2028 £25.95
Northern Telecom $0.11
Portsmouth & Sunderland Newspapers 3.86p
Ragby Gtd FRN Oct 1997 $4893.75
Residential Prop Sec No 3 Class A1 FRN 2025 £425.57
Do Class A2 £1757.21
Do Class B £2014.0
River & Mercantile Geared Cap & Inc Tst 1999 1.463p
Royal Bank of Canada Fltg Rate Db 2005 $47.83
Royal Bank of Scotland 5½% Pf 1.925p
Do 11% Pf 3.85p
Do Ser A Non-Cm Pf $0.703125
Do Ser B $0.70
Do Ser C $0.59375
Saracen Value Tst 0.6p
Savoy Hotel 4% 1st Mtg Db £2.0
Savoy Theatre 4% 1st Mtg Db £2.0
Schroder Split Fd 1.9p
Scottish Eastern Inv 4½% Cm Pf £1.575
Seagram $0.15
Severn River Crossing 6% IL Db 2012 £3.333
Shires High-Yielding Smaller Co's Tst 1.25p
South African Breweries R0.57
SwedBank Sb FRN 2002 $358.27
Takare 11.8%.1 Mtg Db 2014 £5.90
TSB Perp FRN £184.18
UniChem 2.7p
United Auctions 4p
United Kingdom FRN 1996 $142.19
VTR 2.8p
Wells Fargo FRN 2000 $48.33
Woolwich Bldg Scty FRN 1997 £174.91
Wynnstay Props 1.5p
Yasuda Tst Asia Pacific Fxd/FRN A 2004 $3228.84
Do B 2004 $3279.40
Do Gtd Amtsd FRN 2004 $1611.46

**■ SATURDAY DECEMBER 30**
British Fittings 5½% Cv Pf 2.75p
Coutts Consulting 2nd Cv Pf 4p
Ex-Lands 7½% Cv Ln 2020 £3.75
Gartmore Shared Equity Tst Geared Inc 2.4p
Ladbroke Fin (Jersey) 9% Cv Bd 2005 £45.0
Macallan-Glenlivet 6¼% Cv Ln 2005 £3.125
Scottish National Tst 6% Cm Pf 2.1p

**■ SUNDAY DECEMBER 31**
Allied Domecq 11¾% Db. 2009 £5.875
Allied Lon Props 10¾% 1st Mtg Db 2025 £5.375
Anglo & O'seas 8½% Db 2020 £0.885
Antofagasta 5% Cm Pf 2.5p
Asda Prop 5⅛% Cv Pf 2012 2.5625p
Bampton 8¼% Un Ln 2002/07 £4.125
BOC 4.55% Cm Pf 2.275p
Do 2.8% Cm 2nd Pf 1.4p
Do 3.5% Cm 2nd Pf 1.75p
Boddington 9½% Un Ln 2000/05 £4.75
Bowthorpe 7% Un Ln 19/95 £3.50
Braime (TF & JH) 5% Cm Pf 2.5p
Bristol Water 3½% Perp Db £1.75
Do 4% Perp Db £2.00
Do 4¼% Perp Db £2.125
British Guiana Demerara Rlwy 4% Perp £2.00
Do Anns 50p
Brixton Est 5% Cm Pf 0.875p
Do 9½% 1st Mtg Db 2026 £4.75
Do 11¼% 1st Mtg Db 2023 £5.625
Do 10¾% 1st Mtg Db 2025 £5.375
Broadstoner 6% Cm Pf 2.1p
Burford 9⅝% 1st Mtg Db 2019 £4.8125
Capital & Counties 11¼% 1st Mtg Db 2021 £5.625
Do 9⅞% 1st Mtg Db 2027 £4.9375
Chartwell Int Rd 8% Pf 0.79p
Chester Water 11⅜% Rd Db 1998/2000 £5.6875
City Site Estates 7% Un Ln 2005/06 £3.50
Coats Patons 4½% Un Ln 2002/07 £2.25
Do 6¾% Un Ln 2002/07 £3.375
Commercial Union 8¾% Cm Irrd Pf 4.375p
Cookson 7% Cm Pf 2.45p
Co-operative Wholesale 7⅝% 1st Mtg Db 2018 £3.8125
Cowie 10½% Cm Pf 2.625p
Croda Int 5.9% Pf 2.95p
Do 6.6% Pf 3.3p
Dead Sea Works 5% Db 2002 NIS0.25
De Beers Centenary Fin 9¾% Gtd Bd 2020 4.875p
Debenhams 7¼% 2nd Db 1991/96 £3.625
Delta 4.2% Cm 1st Pf 2.1p
Do 3.15% Cm 2nd Pf 1.575p
Dencora 6¼% Rd Pf 3.125p
Denmark (Kingdom of) 13% Ln 2005 £6.50
Derby Tst 7½% Db 1999/2003 £3.75
Eastbourne Water 10½% Rd Db 1995/97 £5.25
Do 11.2% Rd Db 2005/09 £5.60
Do 12½% Rd Db 2004 £6.25
Ecclesiastical Ins 10% Cm 2nd Rd Pf 5p
Do 8⅝% Non-Cm Irrd Pf 2.41027p
Edinburgh Inv Tst 11½% Db 2014 £5.75
EIS 3.5p
Do 5% Cm Pf 1.75p
Electric & Gen Inv 10.1% Db 1997/2002 £5.05
Estates & Gen 11.25% 1st Mtg Db 2018 £5.625
Everards Brewery 5% Cm Pf 1.75p
Finlay (J) 4.2% Cm 1st Pf 2.1p
Do 4.2% Cm 2nd Pf 2.1p
Do 5% Cm 2nd Pf 2.5p
Five Arrows Curr Fd Ptg Rd Pf A$ Fd A$0.46901
Do BFr Fd BFr13.38327
Do C$ Fd C$ 0.56872
Do FL Fd FL0.72104
Do DKr Fd Dkr3.73953
Do DM Fd DM0.64369
Do ECU Fd ECU0.35973
Do FFr Fd FFr2.84141 Do HK$ Fd HK$2.28203
Do Lira Fd L1178.0894
Do NZ$ Fd NZ$ 0.94322
Do S$ Fd S$ 0.12704
Do Peseta Fd Pta83.19325
Do £ Fd 27.0531p
Do SWFr Fd SwFr0.25477
Do SKr Fd SKr3.90695
Do US$ Fd $0.36048
Do Yen Fd Y0.22
Fleming American Inv Tst 5% Cm Pf £1.75
Do 7% Cv Un Ln 1999 £3.50
Fleming Claverhouse Inv Tst 11% Db 2008 £5.50
Fleming Overseas Inv Tst 5% Cm Pf 1.75p
F & C Inv Tst 11¼% Db 2014 £5.625
Fortnum & Mason 7% Cm Pf 2.45p
Friendly Hotels 5% Cv Pf 2.5p
Frogmore Ests 13.85% 1st Mtg Db 2000/03 £6.925
GATX $0.40
GR Hldgs 10½% 2nd Pf 5.25p
General Cons Inv Tst Stppd Pf 2.1565p
Glynwed Int 7¾% Cm Pf 2.7125p
Halstead (J) 5½% Pf 1.925p
Hawtin 4.55% Pf 2.275p
Headlam 5.6% Pf 2.8p
Higgs & Hill 7% Pf 2.45p
IMI 5½% Un Ln 2001/06 £2.75
Int Inv Tst of Jersey 13% Cm Pf 6.5p
Kilroot Electric 9½% Db 2006/10 £4.75
Kleinwort O'seas Inv Tst 4% Cm Pf £2.00
Lazard Smaller Equities Inv Tst Cm Stppd Pf 6.375p
Lex Service 6½% Pf 2.275p
London Park Hotels 10½% 1st Mtg Db 2000/05 £5.25
Manganese Bronze 8¼% Cm Pf 2.8875p
Marley 11⅞% Db 2009 £5.9375
Marshalls 11⅜% Db 1992/2014 £5.6875
Marshalls Universal 7½% Rd Pf 3.75p
Merivale Moore 10½% 1st Mtg Db 2020 £5.25
Mid-Kent Water 4% Perp Db £2.00
Do 5% Perp Db £2.50
Mid Southern Water 3½% Perp Db £1.75
Do 5% Perp Db £2.50
Molyneux Fin 8¼% 1st Mtg Db 2019 £4.125
More O'Ferrall 10% Cm 2nd Pf 5p
Mucklow (A & J) 7% Cm Pf 2.45p
Murray Int Tst 4% Db £2.00
Newey 5% Cm Pf 1.75p
News Int 7% Cm 1st Pf 2.45p
Do 8% Cm 2nd Pf 2.8p
Newton Chambers 5% 1st Cm Pf 1.75p
North East Water 3.75% Rd Db 2012 £1.875
Do 12% Rd Db 2005 £6.00
Northern Rock Bldg Scty 12⅝% Perm Int Brg £63.125
North Surrey Water 5% Db £2.50
Pascoes 7½% Cv Pf 3.75p
Pearson 9.3% Un Ln 1996/2001 £4.65
Do 13⅝% Un Ln 2007 £6.8125
Pittards 9.5% Cm Pf 4.75p
Paintation & General Invs 9% Cv Ln 1999 £4.50
Quarto 8.75p Pf 4.375p
Queens Moat Houses 12% 1st Mtg Db 2013 £6.0
Quicks 10% Cm Pf 5p
REA 9% Cm Pf 4.5p
Do 12% Cv Ln 2000 £6.0
Record 10% Cm Rd Pf 5p
Regis Prop 8¾% Gtd Un Ln 1997 £4.375
Retail Corp 6½% Cm Pf 2.275p
Do 5¾% Cm 2nd Pf 2.0125p
River & Mercantile Tst 5% Pf £1.75
River Plate & Gen Inv Tst 4% Db Irrd £2.00
Robinson (Ryders Green) 11% Pf 5.5p
Rolls-Royce Power Eng 3% Cm Pf 1.5p
Do 5⅜% Cm Pf 2.6875p
Do 11% Cm Pf 5.5p
Ropner 11½% Cm Pf 5.75p
Rotork 9½% Cm Pf 4.75p
Rugby 6% Un Ln 1993/98 £3.00
Do 7¾% Un Ln 1993/98 £3.875
St Andrews Tst 5¼% Cm Pf £1.8375
St Davids Inv Inc 7p
Schroders 8¾% Un Ln 1997/02 £4.375
Scottish Mortgage & Tst 6-12% Stppd Int Db 2026 £6.00
Simon Eng 9¼% Db 1992/97 £4.625
Sirdar 7½% Cm Pf 2.625p
Slough Estates 11¼% 1st Mtg Db 2019 £5.625
Do 12⅜% Un Ln 2009 £6.1875
Smurfitt (Jefferson) 6% Gross Pf IR2.5486p
Sunderland 3% Fd Debt Anns £1.50
Do 4½% Fd Debt Anns £2.25
Temple Bar Inv Tst 9⅞% Db 2017 £4.9375
Tendring Hundred Water 4% Db £2.00
Tennessee Gas Pipeline 10% £/$ Cv Ln 1991/95 £5.0
Tootal 4¾% Perp Db £2.375
Trafalgar House 5.575% Cm Pf 2.7875p
Do 7% Un Db 3.5p
Do 10¼% Un Ln 2001/06 £5.125
Transport Development 4.7% Pf 2.35p
Do 8¼% Un Ln 1993/98 £4.125
TR City of London Tst 11½% Db 2014 £5.75
TR Technology Stppd Pf 3.517751p
Do Units 14.071004p
Unigate 6½% Un Ln 1992/97 £3.25
United Kingdom Prop 8½% Un Ln 2000/05 £4.25
Waddington 4.2% Cm Pf 2.1p
Do 5.6% Cm Pf 2.8p
Watmoughs 8¼% Cm Rd Pf 2006 4.125p
West Kent Water 4% Perp Db £2.00
Whirlpool $0.34
Widney 8.76% Cv 2nd Pf 2000 4.38p
Williamson Tea 6% Cm Pf 2.1p
Wilson (Connolly) 8% Cm 1st Pf 2.8p
Do 10.5% Cm 2nd Pf 5.25p
Wolverhampton & Dudley Brews 6% Cm Ptg Pf 2.8p
Wood (A) 7½% Cm Pf 2.625p
Wyevale Garden Centres 8.5p Cv Pf 4.25p
Yorkshire Chems 5% Cm Pf 1.75p
York Waterworks 5% Deb £2.50

## UK COMPANIES

**■ TOMORROW**
COMPANY MEETINGS:
**Jupiter European Inv Tst,** Knightsbridge House, 197, Knightsbridge, S.W., 10.30
**North American Gas Inv Trust,** Knightsbridge House, 197, Knightsbridge, S.W., 11.30
BOARD MEETINGS:
Final:
**BB & EA**
Interims:
**BBB Design**
**Stanelco**

**■ FRIDAY DECEMBER 29**
COMPANY MEETINGS:
**Conrad,** Conrad House, Longwood Road, Paddock, Huddersfield, 10.00
**Trace Computers,** 224-232, St. John Street, E.C., 2.30

*Company meetings are annual general meetings unless otherwise stated.*

*Please note: Reports and accounts are not normally available until approximately six weeks after the board meeting to approve the preliminary results.*

ARTS

Television/Christopher Dunkley

# Year of the Brass Rat

At the end of 1995 two programmes stand out from the television year: the *Panorama* interview with Princess Diana, and the autumn adaptation of *Pride and Prejudice*. They had much in common: marital melodrama, female pulchritude, a keen horseman in the background presented sometimes as victim but mostly as villain, huge ratings, and of course the same originating network – BBC1.

The BBC's future should surely not be in too much doubt while the organisation can win the sort of prestige that it did with Andrew Davies' splendid adaptation of the Austen novel and at the same time show a clean pair of heels to every other news and current affairs outfit in the world. Be in no doubt about this, incidentally: we would not have had a whiff of the sour grapes dished up by the BBC's competitors ("What is the royal family coming to . . . How dare the BBC . . .") had one of those competitors got the scoop itself.

Were this column to have a set of metal animals to add to the Golden Bears, Silver Swallows and so on awarded at various festivals – Brass Rats, perhaps – then the one for drama in 1995 would certainly go to *Pride and Prejudice* although it was not the year's only impressive piece of work. Among other adaptations there was an excellent *Little Lord Fauntleroy* (also from BBC1) in January, and *The Choir* in March (BBC1 again) about angst in a cathedral close. That clashed with ITV's gritty, not to say grimy, saga *Band Of Gold*, about prostitutes scraping a living on the streets of Bradford. *Hamish Macbeth* (BBC1 yet again) brought us a somewhat, er, idiosyncratic Scottish policeman in March and then we had to wait until the autumn season for Alan Bleasdale's long and under-plotted yet engrossing account of *Jake's Progress* on Channel 4. In all sorts of circumstances, afficionados around the country were urging one another "Pleh with mi, Daddih!" And of course ITV brought us a last, though anything but inferior, series of *Cracker* with Robbie Coltrane as the fat, carousing, gambling, womanising police psychologist Fitz.

It was a relatively rich year for drama. In the other categories, for the sake of space, we shall have to stick to a shortlist of three (at most) and a single winner of the Brass Rat. The finalists for the Factual Series award were: *In The Company Of Men*, Molly Dineen's BBC2 trio of documentaries about the members of the Welsh Guards Regiment; *The People's Century*, a huge undertaking – not yet finished – using archive and new interview material to tell the story of the 20th century from the point of view of the ordinary person; and *Secret Lives*, Channel 4's revisionist series which has sought to adjust our ideas on such people as Marie Stopes and Baden-Powell. And the winner is (sound of ripping envelope): *The People's Century* for its scope and thoroughness.

Shortlisted for the Arts award are three BBC2 series: *Landscape And Memory* in which my old classmate Simon Schama discussed the ways in which landscape shaped culture, and vice versa, in Europe and the US; *Cinema Europe*, a fascinating six-part account by David Gill and Kevin Brownlow of the early days of film making in Europe; and *Painting The World*, a series screened at the start of the year in which Neil MacGregor, director of the National Gallery, proved that an articulate man in possession of much knowledge can stand in front of a picture, keep you enthralled for half an hour, and leave you wanting more. And the winner is . . . *Painting The World*. We could do with more programmes from MacGregor and his producer Patricia Wheatley – who does not editorialise on paintings but shows them as the painters intended (whole) – as soon as they like.

The best current affairs programme I have seen in the past 12 months was the Danish entry at this year's Prix Italia: *Spillet Om Europa* ("Endgame Europe"). It showed with more economy and impact than any of the British programmes on the same subject which I have seen, the reasons why it is becoming impossible to sustain cradle-to-the-grave welfare states in Europe. Others have shown that Asia is not merely ahead in textile production but racing ahead in high technology and even computer software – at a tenth of European wages. But this programme showed how attitudes are also crucial. The attitude to education in Asia today seems to be what it was in Britain 100 years ago: get it at all costs.

However, the Brass Rats are intended for British made programmes, so the shortlist is: *Messengers From Moscow*, Daniel Wolf's BBC2 series looking at the cold war from the Soviet side; *Westminster's Secret Service*, a 60-minute programme shown in May in which Michael Cockerell investigated the world of the Parliamentary whips; and *The Death Of Yugoslavia*, a five-part (soon to add a sixth) BBC2 series which undertook the daunting job of explaining how and why the events of the last few years occurred in Yugoslavia. And (snare drum) the winner is *Messengers From Moscow* which exploited recently released archive material brilliantly.

Comedy remained in the doldrums in 1995. In May BBC1 screened a new series called *Next Of Kin* which seemed to have potential: Penelope Keith played an old fashioned meat-eating, ear-cuffing grandmother, landed with a trio of tree-hugging grandchildren after the son and daughter-in-law die in an accident. The generation gap plus political correctness seemed to me quite promising, but we have heard nothing more of the series. *Due South* was an amusing import from Canada about a supposedly naive Mountie from the boondocks who becomes attached to a big city police department in the US and (oh, you guessed!) proves smarter than the average urban cop. However, the Brass Rat goes to Channel 4's *Rory Bremner, Who Else?* a show which keeps on getting tougher and funnier. John Bird and John Fortune get a special ratlet to themselves.

Ken Campbell is awarded the ears and tail for being the only person this side of Alpha Centauri who would even try to explain big bang theory and the whole of modern physics – parallel universes, strong and weak forces, even charm – to the general public via television, in a Channel 4 series called *Reality On The Rocks*. David Attenborough gets the Still The Best In The World And No Signs Of Flagging award for *The Private Life Of Plants*, shown on BBC1 at the beginning of the year. And Live TV, the cable channel launched by the Daily Mirror, receives a special award for being such a good sport. Having called upon Janet Street-Porter to create a 24-hour network with a budget which could quite easily have sustained a moderate sized chip shop, they then called in former Sun editor Kelvin MacKenzie to oversee matters . . . yet they allowed Robert Thirkell to film the resultant debacle for the recent BBC2 documentary *Nightmare At Canary Wharf*. That shows a sense of humour.

Shall we have better television in 1996? It is possible, but what is certain is that we shall have more, making it harder than ever to distinguish the good bits.

Jennifer Ehle and Colin Firth as Elizabeth Bennet and Mr Darcy in the BBC's adaptation of Jane Austen's 'Pride and Prejudice'

# Drama offstage, but the play's the thing

*Alastair Macaulay looks back at the highs and lows of theatre in Britain during 1995*

Well, Stephen Fry walked out of a West End play, and Fiona Shaw played Richard II – but otherwise 1995 has proved a very ordinary year for British theatre. Big events like the new Stoppard play (*Indian Ink*) and Ralph Fiennes's return to the stage (*Hamlet* at the Hackney Empire) amounted to rather less than we might have hoped for. The RSC had too high a proportion of duds; the Redgraves' season at the Riverside had too much dross; and so on.

But an ordinary year for British theatre would be an extraordinary year anywhere else. Just tot up the names! There were new plays by Ray Cooney, Michael Frayn, Simon Gray, David Hare and Tom Stoppard. And productions of plays by Pedro Calderon de la Barca, Heinrich von Kleist, Friedrich Schiller, Odon von Horvath, Sean O'Casey, Max Frisch, Eduardo de Filippo, Sam Shepard, and Jose Rivera.

Judi Dench, Gemma Jones, Julia McKenzie, Vanessa Redgrave, Maggie Smith, Fiona Shaw, Juliet Stevenson, Frances de la Tour, Harriet Walter, all performed in London; as did Alan Bates, Brian Cox, Michael Gambon, Alan Howard, Eddie Izzard, Rik Mayall, Paul Merton, Harold Pinter, Stephen Rea, Simon Russell Beale, Antony Sher. Out of London you could see Lauren Bacall, Patrice Chéreau, Derek Jacobi, Alec McCowen, Ian Richardson, Penelope Wilton . . . True, some proved disappointing; but it is a luxury to be able to say so.

The best new plays, in fact, came not from the best-known names. Patrick Marber's *Dealer's Choice* was more than a highly accomplished first play; an enthralling study of the vulnerability of men who play poker, it moved with assurance from hilarity to dark emptiness. I am sorry to have missed another new play that won golden opinions: Jonathan Lewis's *Our Boys*, about life in a military hospital, both at the Derby Playhouse and at the Donmar Warehouse. (And I missed Sarah Kane's controversial *Blasted* at the Royal Court's Theatre Upstairs.) Sebastian Barry's *The Steward of Christendom* – at both the Royal Court's Theatre Upstairs tour and the main theatre – mixed poetry, memory, and psychology in its compassionate portrait of a part-mad old Irishman. Phyllis Nagy gave us two new plays. The more prestigiously presented of the two, *The Strip* at the Royal Court, proved an over-ambitious disappointment, but *Disappeared*, a touring production that later arrived at the Court's Theatre Upstairs, was enthralling.

But it was not the new plays that caused most of the talking. Nor was it always the famous actors: witness several productions at the National Theatre. Deborah Warner's staging of *Richard II* worked so beautifully at the Cottesloe, and contained several supporting performances so first-rate that I would call it the Shakespeare staging of the year were it not for Fiona Shaw's mannerisms amid the title role. You could argue about Alan Howard's performance in Eduardo de Filippo's *La Grande Magia* at the Lyttelton, but the fascinating thing was the play itself. In Phyllida Lloyd's Lyttelton staging of *The Way of the World*, Geraldine McEwan's performance deserved an award rather less than her costume, and the whole audacity of the play's new look. (Anthony Ward's designs for this and *La Grande Magia* were outstanding.) Jeremy Sams's staging of O'Keeffe's *Wild Oats* was beautifully cast, but its delight was above all in its ensemble and freshness.

It was very good to see Rodney Ackland's *Absolute Hell* at the Lyttelton, perfectly timed during the 50th-anniversary memories of the end of the war; and Anthony Page's staging was led by the performance of the year: Judi Dench, whose blend of authority and truthfulness goes from strength to strength. (She later went on to excel in a less remarkable role in Sondheim's *Little Night Music*, well staged with a crack cast at the Olivier.) And the National's year came to an end with what may have been the year's outstanding male performance, Simon Russell Beale's Guildenstern in Stoppard's *Ronsecrantz and Guildenstern are Dead*. Russell Beale's Ferdinand was also the outstanding performance in Philip Franks's staging of *The Duchess of Malfi*; and his Mosca in Matthew Warchus's Olivier production of *Volpone* was no less fine.

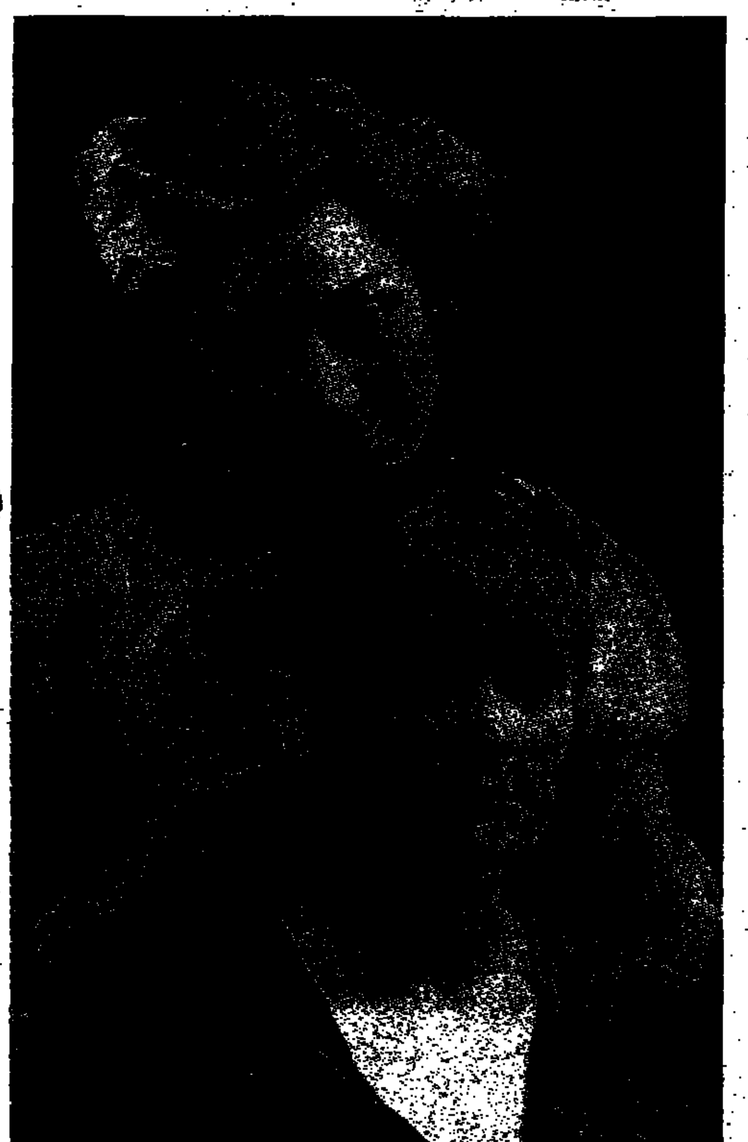
At the RSC there were more horrors than wonders. I leave it to masochists to decide whether Gale Edwards's Stratford staging of *The Taming of the Shrew* was as bad as David Thacker's of *The Tempest* (Young Vic) or Steven Pimlott's *Richard III* (Stratford). Of course there were some outstanding Shakespearian performances – such as Lucy Whybrow's most original and captivating Juliet in Adrian Noble's new Victorian-dress *Romeo*, Iain Glen's Henry V at the Barbican, Philip Voss's Menenius in Thacker's French-Revolution *Coriolanus* (also at the Barbican) – but nothing to stop us feeling that the RSC is now misnamed. The company's most marvellous new production, staged by its artistic director Noble, was of Chekhov's *The Cherry Orchard*, a superbly cast staging at the Swan Theatre, that was a privilege to behold in the intense humanity of its least detail.

Lucy Whybrow is one of several young actors who won new attention this year. Julian Rhind-Tutt was exceptional in utterly contrasting roles in the National's stagings of *Richard II* and *The Way of the World*. Victoria Hamilton won the best reviews for her precocious Hilde in Peter Hall's Haymarket staging of Ibsen's *The Master Builder* – although she was even better at Richmond's Orange Tree in James Saunders's new *Retreat* earlier in the year. Also at the Orange Tree, a cast of too-little-known actors – Rakie Ayoka, Vincenzo Nicoli, Jonathan Wrather, directed by Dominic Hill – made Jose Rivera's *Each Day Dies with Sleep* one of the most thrilling events of the year. And it was the three young actors – Claire Skinner above all – who excelled in Sam Mendes's engrossing Donmar Warehouse staging of *The Glass Menagerie* (now in the West End).

From seasoned actors too there were numerous brilliant performances: John Alderton's consummate comic command in *What the Butler Saw* (Lyttelton), Alun Armstrong's intensely thoughtful Professor in Terry Johnson's revival of his own *Insignificance*, Michael Bryant and Paola Dionisotti in supporting roles in *Richard II*, Daniel McCann's overwhelming force as the old man of *The Steward of Christendom*, Julia McKenzie's panache in Alan Ayckbourn's *Communicating Doors*, Sian Thomas's anguished but vindictive Mrs Marwood in *The Way of the World*, Penelope Wilton's heart-rending Mme Ranyevskaya at Stratford. It is dismaying that, amid such performances of this stature, serious attention has been bestowed on Geraldine McEwan's Lady Wishfort or Diana Rigg's Mother Courage.

Cheek by Jowl's all-male *As You Like It*, Shared Experience's *The Mill on the Floss*, DV8's *Enter Achilles* proved each highly important examples of individual company styles. Eddie Izzard, daffy spontaneity personified, enchanted the Shaftesbury Theatre for over two months.

The Royal Court has launched a season at the Royal Court questionably entitled "Modern Classics"; but one of the constant delights of theatre-going in Britain is that we are frequently given serious stagings of seldom-seen *old* classics. The Edinburgh Festival concluded with a wonderful double bill of plays by Sasha Guitry, a widely forgotten precursor of Noel Coward: *The Illusionist* (1917) and *Let's Dream* (1916), superlatively directed by Luc Bondy and performed by the Berlin Schubühne am Lehniner Platz. Quite by chance, our home companies gave us a wealth of Euripides (in particular, the Gate's *Agamemnon's Children* triptych) and a flood of Strindberg (especially *The Dance of Death* at the Almeida, *Easter* at the RSC, and *A Dream Play* at the Glasgow Tramway). The Gate's triple bill, directed by Laurence Boswell was an especial revelation in terms of its surprising humour and musical excellence, while *A Dream Play* (in a production from Sweden) brought out the most magical aspects I have yet known from Robert Lepage as director. Guitry, Strinberg, Euripides . . . Theatre-going in Britain is, thank heaven, a perpetual education.



Alastair Muir

Zoe Wanamaker and the exciting young Claire Skinner in Sam Mendes's engrossing staging of 'The Glass Menagerie'

## INTERNATIONAL ARTS GUIDE

### ■ BERLIN

**CONCERT**
**Deutsche Oper Berlin**
Tel: 49-30-3438401
● Carmina Burana: by Orff. Performed by the New London Consort, with conductor Philip Pickett, and the Chor und Orchester der Deutschen Oper Berlin, conducted by Rafael Frühbeck de Burgos. Soloists include Fionnuala McCarthy, George Fortune and Uwe Peper; 7.30pm; Dec 29
**Konzerthaus**
Tel: 49-30-203092100/01
● Rundfunk-Sinfonieorchester Berlin: with conductor Rafael Frühbeck de Burgos and the Rundfunkchor Berlin perform Beethoven's "Choral Fantasia" and "Symphony No.9". Soloists include pianist Annerose Schmidt, soprano Eva Johansson, alto Ute Walther, tenor Endrik Wottrich and bass Erich Knodt; 7.30pm; Dec 30, 31 (4pm)
**Philharmonie & Kammermusiksaal**
Tel: 49-30-254880
● Berliner Philharmonisches Orchester: with conductor Claudio Abbado, the female singers from the Ernst-Senff Chor and soloists Sylvia McNair, Angelika Kirchschlager and Barbara Sukowa perform Mendelssohn's music to "A Midsummer Night's Dream" and "Symphony No.4"; 7pm; Dec 30, 31 (5.15pm)

### ■ BIRMINGHAM

**CONCERT**
**Symphony Hall**
Tel: 44-121-2123333
● Hallé Orchestra: with conductor Martin Yates and the Pro Music Chorus of London perform Act II, New Year's Eve party scene from J. Strauss' "Die Fledermaus" and excerpts from Lehár's "Die Lustige Witwe". Soloists include Amanda Thane, Lilian Watson, Gloria Parker and Philip Salmon; 7.30pm; Dec 30
● Mozart in Costume: the Mozart Festival Orchestra with conductor Ian Watson and horn-player Jeffrey Bryant perform works by Mozart in authentic 18th-century costumes; 7.30pm; Dec 29

### ■ BONN

**MUSICAL**
**Oper der Stadt Bonn**
Tel: 49-228-7281
● Anatevka: by Bock. Conducted by Hansgeorg Koch and performed by the Oper Bonn. Soloists include Katja Bellinghausen, Jacqueline Kornmüller, Bert Oberdorfer and Peter Beck; 8pm; Dec 29, 30

### ■ COPENHAGEN

**DANCE**
**Det Kongelige Teater**
Tel: 45-33 14 10 02
● The Triumph of Death: a choreography by Flindt after Ionesco's play "Jeux de Massacre", performed by the Royal Danish Ballet; 8pm; Dec 30

### ■ DRESDEN

**OPERA & OPERETTA**
**Sächsische Staatsoper Dresden**
Tel: 49-351-49110
● Le Nozze di Figaro: by Mozart. Conducted by Wolfgang Rennert and performed by the Sächsische Staatsoper Dresden. Soloists include Andreas Scheibner, Claudia Kunz, Eva Kirchner and Jukka Rasilainen; 7pm; Dec 29

### ■ HAMBURG

**EXHIBITION**
**Hamburger Kunsthalle**
Tel: 49-40-24862612
● Jannis Kounellis: Kounellis created an installation for the museum at its special request. At the same time a retrospective of his work is on show; to Jan 7
**OPERA & OPERETTA**
**Hamburgische Staatsoper**
Tel: 49-40-351721
● La Bohème: by Puccini. Conducted by Elio Boncompagni and performed by the Hamburg Oper. Soloists include Lucia Mazzaria, Franco Farina and Albert Schagidullin; 7.30pm; Dec 28; Jan 2

### ■ LAUSANNE

**OPERA & OPERETTA**
**Théâtre de Beaulieu**
Tel: 41-21-6432211
● Le Comte d'Ory: by Rossini. Conducted by Evelino Pidò and performed by the Orchestre de Cambre de Lausanne and the Choeurs de l'Opéra de Lausanne. Soloists include Alessandro Corbelli, Valérie Lecoq, Jeffrey Francis and Nadine Chéry; 8pm; Dec 31 (7pm); Jan 3, 5, 7 (5pm), 8, 11

### ■ LONDON

**CONCERT**
**St. Martin-in-the-Fields**
Tel: 44-171-8300089
● Annetta Servadei: the pianist performs works by Sibelius, Grieg, Mendelssohn, Rachmaninov, Brahms and Liszt; 1.05pm; Dec 29
**Wigmore Hall** Tel: 44-171-9352141
● Brindisi String Quartet: with pianist Barry Douglas perform works by Purcell, Bartók and Brahms; 7.30pm; Dec 30
**JAZZ & BLUES**
**Royal Festival Hall**
Tel: 44-171-9604242
● Robert Carter Quintet: piano-led contemporary jazz classics and originals, featuring Andy Panayi (saxophone), Martin Shaw (trumpet), Tim Wells (bass) and Mark Fletcher (drums); 5.15pm; Dec 29
**OPERA & OPERETTA**
**Royal Opera House - Covent Garden** Tel: 44-171-3044000
● Aida: by Verdi. Conducted by Daniele Gatti and performed by The Royal Opera. Soloists include Sharon Sweet, Nina Terentieva, Leah-Marian Jones, Dennis O'Neill and Simon Estes; 7.30pm; Dec 30

### ■ LOS ANGELES

**EXHIBITION**
**Los Angeles County Museum of Art** Tel: 1-213-857-6522
● Georg Baselitz: this large-scale exhibition, which premiered at the Guggenheim Museum in New York, surveys Baselitz's works over the past 30 years, including 100 paintings and several sculptures; to Jan 7

### ■ MUNICH

**CONCERT**
**Philharmonie im Gasteig**
Tel: 49-89-48098506
● Symphony No.9: by Beethoven. Performed by the Münchner Philharmoniker with conductor Dennis Russel Davies and the Philharmonischer Chor München. Soloists include Reinhild Runkel, Alexander Spemann and Hans Sotin; 8pm; Dec 30, 31 (5pm) ; Jan 2

### ■ NEW YORK

**CONCERT**
**Avery Fisher Hall**
Tel: 1-212-875-5030
● New York Philharmonic: with conductor Leonard Slatkin and soprano Julia Migenes perform works by Gershwin, Rodgers, Anderson, J. Strauss, Lehár and others; 8pm; Dec 30
**JAZZ & BLUES**
**Blue Note** Tel: 1-212-475-8592
● Nancy Wilson & her Trio: featuring Llew Matthews, John B. Williams and Roy McCurdy; 9pm & 11.30pm; Jan 2, 3, 4, 5, 6, 7

### ■ PARIS

**EXHIBITION**
**Galeries Nationales du Grand Palais** Tel: 33-1.44 13 17 17
● Rétrospective Paul Cézanne: major retrospective exhibition of works by the French painter Paul Cézanne. The exhibition includes paintings and watercolours by Cézanne lent from private and public collections throughout the world. In 1996 the exhibition will also be on display in London and Philadelphia; to Jan 7
**THEATRE**
**Comédie Française, Salle Richelieu** Tel: 33-1 40 15 00 15
● Le Misanthrope: by Molière. Directed by Simon Eine. The cast includes Alain Pralon, François Beaulieu, Dominque Constanza and Yves Gase; 8.30pm; Dec 31

### ■ STUTTGART

**OPERA & OPERETTA**
**Staatstheater Stuttgart**
Tel: 49-711-221795
● Fidelio: by Beethoven. Conducted by Robert Spano and performed by the Oper Stuttgart. Soloists include Anne Evans, Louise Walsh, Michael Ebbecke and Wolfgang Probst; 7.30pm; Dec 30; Jan 4
● La Traviata: by Verdi. Conducted by Francesco Corti and performed by the Oper Stuttgart. Soloists include Carla Basto, Annette Kuhn, Alexander Fedin and Jörn Wilsing; 7.30pm; Dec 29

### ■ ZURICH

**OPERA & OPERETTA**
**Opernhaus Zürich**
Tel: 41-1-268 6666
● Die Frau Ohne Schatten: by R. Strauss. Conducted by Christoph von Dohnányi and performed by the Oper Zürich. Soloists include Gabriele Lechner, Anja Silja and Gwyneth Jones; 6pm; Dec 30

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LEADERS FOR A NEW MILLENNIUM

## Hajime Funada · By William Dawkins

# A rebel with discretion

The Japanese tradition that wisdom is a function of seniority makes it hard to identify the country's next generation of leaders. The seriously ambitious find it prudent to be discreet.

But Mr Hajime Funada, 42, who two years ago enjoyed a brief six months as Japan's youngest ever cabinet minister, is probably one of the young Japanese politicians best qualified to become a prime minister in the 21st century. Although discreet in the best Japanese manner, he has an urge to reform the political system and enjoys the support of some powerful friends.

Earlier this month, a poll of political journalists by Bungei Shunju, the respected political magazine, identified Mr Funada, a senior member of the opposition New Frontier party, as one of the two people most likely to lead Japan in the next century. He came a narrow second to Mr Yukio Hatoyama, 48, secretary general of the New Harbinger party, smallest member of the government coalition.

One of the factors that marks Mr Funada out from the crowd is a clear head for policy. Until recently patronage took precedence over policy in Japan, but that is starting to change. "Japanese politics lacks focus. Winning elections is not about whether you can promise a political platform. In most voters' minds, the focus is whether you like the fellow," says Mr Funada.

"Anybody can claim to make people happy. But not even God can make everybody happy. Political leaders of the future must have the will to persuade people that painful reforms are necessary," he argues. Lacking such persuasive leaders, Japanese voters have been lulled into a state where they no longer have a clear idea of of what they want, he says.

That is one reason why the Japanese government finds it impossible to respond decisively to the multiple economic, financial and social crises now before it, he believes.

Among the tough national decisions which Mr Funada sees ahead are the simplification of Japan's costly distribution system, in which several layers of middlemen take a slice of profit before products reach the customer at an inflated price. He admits that hitting distribution is especially unpopular in his constituency of Tochigi, central Japan, where wholesalers are a big lobby.

Another of his credos is to curb the fiscal deficit – now nearly 8 per cent of gross domestic product – which, as the French government has found out in recent months, can be the bitterest of medicines for voters to swallow.

**'Political leaders of the future must persuade people that painful reforms are necessary'**

At first meeting, it is hard to discern what gives Mr Funada, an amateur astronomer, star quality. Polite and neatly dressed in a dark suit, he resembles a family solicitor rather than a political hotshot. Asked if he is ambitious, Mr Funada laughs nervously and evades the question.

The clue to Mr Funada, suggest his friends in the New Frontier party, may be that he neatly bridges the old and new worlds of Japanese politics, an asset in a country where evolution rather than revolution is the principle of change. Mr Funada's roots are in the old world, where personal relations count for more than policy. But he has used them to build a career as a quiet rebel, pushing for a new world in which policies are more prominent.

In traditional fashion, he inherited the constituency of his grandfather – a former speaker of the lower house of parliament – at the age of 25. That was the start of what could have been a promising career in the Liberal Democratic party, which ruled Japan for nearly four decades until it started a 10-month period in opposition in mid-1993, in part prompted by defections by Mr Funada and others.

As head of the LDP's youth section, Mr Funada was a rising star of the Takeshita faction, the biggest in the party and as such the nearest thing to a centre in Japan's diffuse power structure. Thus, he was able to jump the usual decades-long queue to a cabinet place and become minister of economic planning in late 1992. As minister, Mr Funada embarrassed himself by forecasting economic recovery in early 1993, weeks before the upturn collapsed into what turned out to be a triple-dip recession, the deepest in postwar years.

But it was frustration with the LDP's gerontocratic ways, rather than the vagaries of Japan's economy, that prompted Mr Funada to join a new group in mid-1993, formed by other party dissidents devoted to changing the face of Japan. It was the core of the coalition which formed the present New Frontier party last December.

At the outset, the new party aimed to replace faction politics with a competitive two-party system, in which leaders could rise by their ability, rather than with the help of personal relationships nurtured by decades of attendance at constituency weddings and funerals.

Mr Funada, having abandoned a comfortable future in the Takeshita faction, was among the first to point out the failings that emerged in the new party soon after a difficult launch. In a magazine article last spring, he condemned it for having even vaguer policies than the LDP, and for being just as faction-ridden.

"We have all-round policies, like a restaurant menu. We can cook this or that, but there's no chef's recommendation," he complained.

Today, he believes that the New Frontier party could break up at any time. But this does not mean, he argues, that Japan's attempt at political reform is dead. The early demise of the first post-LDP government of Mr Morihiro Hosokawa in early 1993 interrupted the creation of a political system more responsive to voters' aspirations, but did not kill it.

The next stage, he forecasts, may be the split of the New Frontier party into two groups, one to ally with further LDP defectors and another, including Mr Funada, to join up with the remnants of the Socialist party.

The future may be chaotic, and it may take two or three general elections, beginning next year, for Japan's slow political realignment to clarify into a stronger form of government. But look out for Mr Funada. The chances are that he will step more deftly through the political fog than most.



# LETTERS TO THE EDITOR

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## Irish Steel row points to weak decision making

*From Professor Ray Kinsella.*

Sir, The approval by the European Union Industry Council ("London and Dublin aid row", December 21) of the Irish government's decision to provide financial aid to Irish Steel as part of that company's privatisation was sensible. But the manner in which agreement was reached – including a last-minute "shoot-out" at a specially convened council – was anything but sensible. It highlighted the need for more subtle and robust decision-making processes than those that exist or are envisaged in the Maastricht treaty.

There is another lesson to be learnt. In an integrated single market – and much more particularly in a political union – policy is seamless. Tensions and brinkmanship in one area have an impact on other – sometimes apparently unrelated – areas. In this instance, there was little apparent connection between the future of the European steel market and the status of the Anglo-Irish peace process. But the political reality is that such a connection existed.

Special relationships may be difficult to formalise, but they are of crucial importance in getting the business done. The UK's insistence on holding out on the provision of £30m ($46m) state aid by the Irish government despite the European Commission's approval and the agreement of other member states – and notwithstanding the UK's signing-off on £6bn of state aid to the steel industry in other EU members or the £4.5bn spent on preparing British Steel for privatisation – was wilful. It cast a shadow over relations between the two governments at a sensitive time.

There may be domestic political capital to be made out of such brinkmanship. But it comes at the cost of straining bilateral relations between member governments where personal chemistry and goodwill between ministers are central to leadership, especially in contentious areas.

At EU level, this kind of political drama simply serves to undermine the proper purpose and indeed credibility of the council. Post-1996 we will have to take a lot more seriously the art and the science of good governance within the Union.

**Ray Kinsella,**
**Graduate School of Business,**
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## New Zealand central bank is to be congratulated

*From Mr Walter Grey.*

Sir, May I suggest to Mr Gerald Holtham (Letters, December 21) that, far from castigating the independent New Zealand Reserve Bank, he should thank it for pulling the New Zealand Treasury's inflationary chestnuts out of the fire?

If that means a tighter monetary policy than would have been necessary or appropriate otherwise, whose fault is that? And how often, in a reverse case, do we hear of the opposite medicine having to be applied? New Zealand's situation is indubitably better than it was before the advent of the present regime, or than it would have been otherwise.

Of course, in New Zealand as elsewhere, things would be better still if monetary and fiscal policy were more closely "coordinated" at all times. But whereas monetary policy can be assigned to an independent authority charged with (and accountable for) maintaining price stability, fiscal policy will always be the inalienable province of the elected government of the day. Some conflict between the two in arriving at an appropriate policy mix is therefore built into the system.

Nevertheless, the risk of inflationary excesses will be minimised if monetary policy, at least, is conducted by non-political hands at all stages of the electoral cycle.

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## The facts concealed by a smokescreen

*From Mr Keith W.D. Jago.*

Sir, With the festive season now upon us, it is apposite to reflect on two facts relating to health and safety in the workplace.

First, that from January 1 1996, the full force of the European Union directives on health and safety (the "six-pack") will apply to all workplaces, existing as well as new. These requirements include, *inter alia*, that smoke-free rest areas are provided for non-smokers (regulation 25).

Second, the true cost to employers of existing smoking policies is far higher than many think. According to Lifestyles at Work, the research group, a nine-a-day smoker taking 10 minutes per cigarette break wastes seven and half hours of company time each week – in effect, 20 per cent of a 37½-hour working week.

An enlightened smoking policy that provides smoking rooms (non-leaking, we hope!) will mean that, from the smokers, a company will get only 80 per cent productive time. Assuming, say, 30 per cent of a workforce are smokers, the direct cost of this smoking time amounts to 6 per cent of the direct labour cost. So in a workforce of 1,000, the overhead for allowing smoking at work is 60 staff (1,000 x 30 per cent x 20 per cent). A daunting cost indeed – 60 staff are in effect wasted every week.

And the real cost is far higher if lost "smoke breaks" are covered by overtime working at premium rates: time x 1.5 will cost what amounts to 90 lost staff out of 1,000, not to mention the costs of smoking rooms and ill-health among the smoking population. No smokescreen – just facts.

Health risk management is about identifying and controlling risks before they cause problems and lead to losses. Clearly, smoking at work is a problem that is already causing vast losses.

The only logical conclusion is that January 1 must become a milestone for managing smoking at work. Working and smoking must simply become mutually exclusive activities, and a policy of no smoking at work become the norm in all workplaces.

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## Optimism over biotech companies misplaced

*From Professor N.W. Simmonds.*

Sir, The general tone of Daniel Green's article on biotechnologically based pharmaceutical companies ("Beyond the barriers of alchemy", December 16) was optimistic, yet:

- One of his companies rests on a single spectacular possibility not yet realised in practice;
- Another offers several interesting but essentially minor attractions;
- Another is busy getting out from under;
- Two more seem shaky;
- Yet another is clever, but . . .
- And there are two investment trusts busy laying off risks. Of his experts, one is buying and holding (probably praying, too), while the other seems to distrust repeated bull markets.

I don't read this as support for biotech shares – and this is the *pharmaceutical* end of the market, remember.

If biotech is to pay off anywhere, it will be here, in pharmaceuticals. The agricultural end of the game looks even worse.

Indeed, the new agricultural revolution has been predicted for 15 years, as I recall, and nothing of real interest has happened yet, millions of bucks and rivers of ink later. To say this is rather like remarking that the emperor has no clothes – well, he hasn't.

As Fred Pearce remarked in The Scotsman recently, endless promises have gone unfulfilled and the only evident product has been a bit more money for chemical companies.

Scientists are not guiltless of hyping up their own baseless promises in the hope of better grants. And this I fear applies to all kinds of biotechnology, pharmaceutical and other. Perhaps the rabbits are at last coming home to roost (to coin a phrase)?

**Norman Simmonds,**
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# The chase for fat profits

### The pharmaceuticals industry is pouring money into anti-obesity drugs, writes Daniel Green

The purveyors of low-calorie cuisine and exercise bikes, all trying to persuade the consumer to remove that extra weight put on at Christmas, may soon be joined by the pharmaceuticals industry. Greater knowledge of what makes people fat is encouraging drugs companies to chase the slimmer's dollar.

There is no doubt about the potential market. More than half of all adults in the US and UK are estimated to be overweight. The proportion of obese people in the UK more than doubled between 1980 and 1993 to 16 per cent of women and 13 per cent of men.

The measurement is a simple one called the body-mass index. Divide your weight in kilogrammes by the square of your height in metres. If the result is more than 25, you are overweight; more than 30 and you are obese.

A score of more than 30 increases the risk of diabetes and gallstones, and there are links with some cancers, high blood pressure, heart disease and a range of bone, joint and skin disorders.

Not surprisingly, the fat and the not-so-fat spend plenty of money on trying to stay slim. Americans spend more than $33bn a year on diet-related products, according to a report from Decision Resources, the US market research company. Sweetener sales alone are worth $1bn in the US and another $200m in Europe.

Drugs industry efforts to muscle in on the market have largely failed. Slimming drugs have had a variety of side effects and can be addictive. Obesity drugs have global sales of only about $150m a year.

That may be about to change. Some of the industry's best known names are pouring development money into obesity. They include Switzerland's Roche, US companies Abbott Laboratories, American Home Products and Amgen, and France's Sanofi and Servier. It costs between $200m and $400m to take a drug all the way through the years of research and testing to market, an investment that can be justified only by substantial sales.


The drugs companies' optimism is based on recent advances in the scientific understanding of obesity. Many of the causes are obvious, such as eating too much and lack of exercise. In addition low birthweight and low social class (poor people are fatter than the well-off in developed countries) are known factors.

But the most promising opening for drugs companies is the recognition that some factors are genetic. Inheritance accounts for between one-third and two-thirds of obesity, depending on which scientist is talking.

Genetics provided the biggest breakthroughs this year. The so-called "ob" gene, discovered by the Howard Hughes Medical Institute at Rockefeller University, New York, triggers the production of a protein, a hormone called leptin. Mice injected with leptin lose weight.

Amgen, the California biotechnology company, had paid the institute $20m for the rights to develop products based on the ob gene. When the magazine Science said that the treatment cut the weight of normal mice as well as fat ones, Amgen shares rose sharply and clinics preparing to test the drug were swamped with inquiries.

More potential drugs are likely to follow. Another gene associated with obsesity, the "tub" gene, has been identified. And the latest issue of the magazine Cell publishes details of how body cells are chemically instructed to become fat cells. The authors include suggestions on how drugs might inhibit the process.

If the scientific obstacles are being overcome, however, there remains the question of regulatory approval. This has been difficult since the 1950s, when addiction and other problems arose with amphetamines, which were used in slimming pills.

Among the contentious issues is the fact that a slimming drug that is medically desirable for an obese person may be abused by a healthy individual for cosmetic purposes. In the 1980s, Prozac, a drug that has become one of the world's best-sellers, was proposed as an appetite suppressant. It was never approved as such, partly because of concerns about abuse by over-enthusiastic slimmers.

Regulators want to be sure that any benefit from shedding weight is not outweighed by the danger of the treatment itself, something that can take many years to assess.

There are signs that regulators are warming to the idea of obesity drugs. Last month, an advisory committee to the US Food and Drug Administration recommended the first slimming pill approval in 22 years. Dexfenfluramine appears to reduce appetite without causing addiction. But the committee spent two and a half years debating the drug, which is already on sale in Europe, and voted for approval only by six votes to five.

Such caution is attacked by some doctors. "Obesity has been considered a moral failing and a behavioural problem, not a real disease," says Dr Richard Atkinson of the University of Wisconsin, who has been involved in the testing of obesity drugs. "We are treating a genetically based physiological disease with psychological treatments."

The battle between the two camps is yet to be fought in earnest. It promises to be a deciding factor in whether the drugs industry conquers the slimming market. Mr Jerry Balter, chief executive of Obesys, a New York biotechnology company, says: "The main obstacles to new drugs are regulatory rather than scientific."

The risks of failure – scientific and regulatory – have been enough to put off some drugs companies from trying. The chief executive of one European drugs company that abandoned research into obesity coincidentally lost 10kg this year. Asked how he did it, he replied: "I ate less."

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FINANCIAL TIMES

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# A decade of privatisation

Just over a decade ago, the word "privatisation" was virtually unknown. However, the 1984 flotation of British Telecom proved a watershed. Since then, the systematic sale of state enterprises has accelerated on almost every continent, culminating in the privatisation frenzy of eastern Europe and the former Soviet Union. Russia alone has sold more than 75,000 small businesses and 14,000 larger companies since 1992, creating more than 30m shareholders.

The potential economic benefits of transfer to private ownership are now widely accepted, based on the experience of countries with long-standing privatisation programmes, such as the UK and Chile. They include the development of competitive, consumer-oriented industries, and the improvement of capital markets and corporate governance. For the former communist countries, the mass transfer of ownership has created something resembling a competitive market economy; for Latin American and Asian governments, the sales have helped the private sector flourish.

But prevalence has not brought popularity; politically, the sale of public assets remains controversial. However different the circumstances, objections tend to be remarkably similar: the government has sold the family silver; the heads of the new company pay themselves too much; too many employees are sacked. In many countries there is widespread scepticism as to whether the benefits of privatisation are great – or shared widely – enough to justify the surrender of state control.

A decade's experience shows that some approaches to privatisation answer these concerns and allow the benefits to be realised. Others, emphatically, do not.

## Deeply tarnished

First and foremost, transparency about the allocation of shares helps, as the International Finance Corporation, the World Bank's private-sector financing arm, rightly stresses. Russian privatisation has been deeply tarnished by the way that much of the energy industry has been sold cheaply to privileged insiders.

Where an industry is capable of competition, it also helps if this is recognised at the time of sale. The break-up of the Russian road haulage industry and the Peruvian power company Electrolima at privatisation have helped the efficiency of those industries. In the UK, where non-nuclear power generation was sold as two companies, rather than the four or five recommended by many, subsequent regulation of prices has proved particularly troublesome.

If an industry will not support competition, regulation can do the job. But whether through competition or regulation, some of the benefits, including efficiency gains, must be returned to the public in some form if the programme is to have lasting support.

## Outside capital

Above all, perhaps, it is the injection of outside capital which helps steer companies towards improvement. The IFC found in a study this autumn that outside investors and sponsors enormously improve corporate governance and management discipline. Such improvement does not automatically follow privatisation; the European Bank for Reconstruction and Development observes that in the Czech Republic, Hungary, Poland and Russia privatisation has dramatically altered ownership structures but not greatly improved corporate governance.

However, it can be hard to attract outside investment without the existence of robust legal institutions. In general, east European countries have made more progress than former Soviet ones in setting up a legal framework and enforcing it.

Most privatisations involve some compromise of these principles. The price received for the company is traded off against speed and the design of regulation. The penalties for compromising too much, however, are severe: a degree of public hostility which can jeopardise future privatisations, as in the UK, or even a whole programme of economic reform, as in Russia. The rewards for thoughtful attempts to solve these problems are that subsequent sales are easier, reach higher prices, and benefit the economy far more.

# In praise of elitism

This was a very unmerry Christmas for sponsors of the new Cardiff opera house, the focal point of the regeneration plan for Cardiff Bay. But the Millennium Commission must disappoint people: it may be able to disburse £1.6bn of money from the National Lottery's cornucopia, but this largesse merely awakens vast demands, without being enough to satisfy them all. The commission may even be right to disappoint those in favour of the scheme. But the argument that opera is too elitist to deserve support is mistaken. An opera house may well benefit those who do not know Mozart from Bellini.

The National Lottery syphons money from the pockets of millions of poor punters and pours it into a few huge tanks, from which toffs distribute it. Delicate souls feel a twinge of conscience about this peculiarly British arrangement. The benefits of the great national gamble should, they argue, go to the sorts of people who play the lottery, not those who allocate its proceeds.

If £50m of lottery loot was on its way to Cardiff, a new Cardiff Arms park, to be ready in time for the 1999 rugby world cup, should benefit, insist the populists. Rugby is the people's choice. It is also the local council's, moved not just by the appeal of the national game but by fear that the opera house might require subsidy, year after costly year. The proposed opera house has also been criticised as "weird". This aesthetic controversy helped doom it. But it was also thrown into doubt by the expected difficulty of raising the matching money in Wales, as the Millennium Commission demands.

## Culture in London

Fear of controversy would be a poor reason for rejecting a scheme. Worry that it may be "elitist" would be worse. The concentration of British elite culture in London is not just unfair to those who live in the provinces but economically disadvantageous to them as well. One of the opportunities provided by the National Lottery is to remedy this distortion. Unfortunately, those in charge of distributing the proceeds have failed to seize this opportunity, by continuing to benefit London disproportionately.

Increasingly, the location of industry is determined not by natural resources, such as coal, but by amenities, such as music, art, theatre, dance, schools and universities. To attract economic activity, regions must offer what appeals to educated managers and technicians. Natural beauty, lively sport and high-quality leisure facilities are important to such people. So is a rich cultural life.

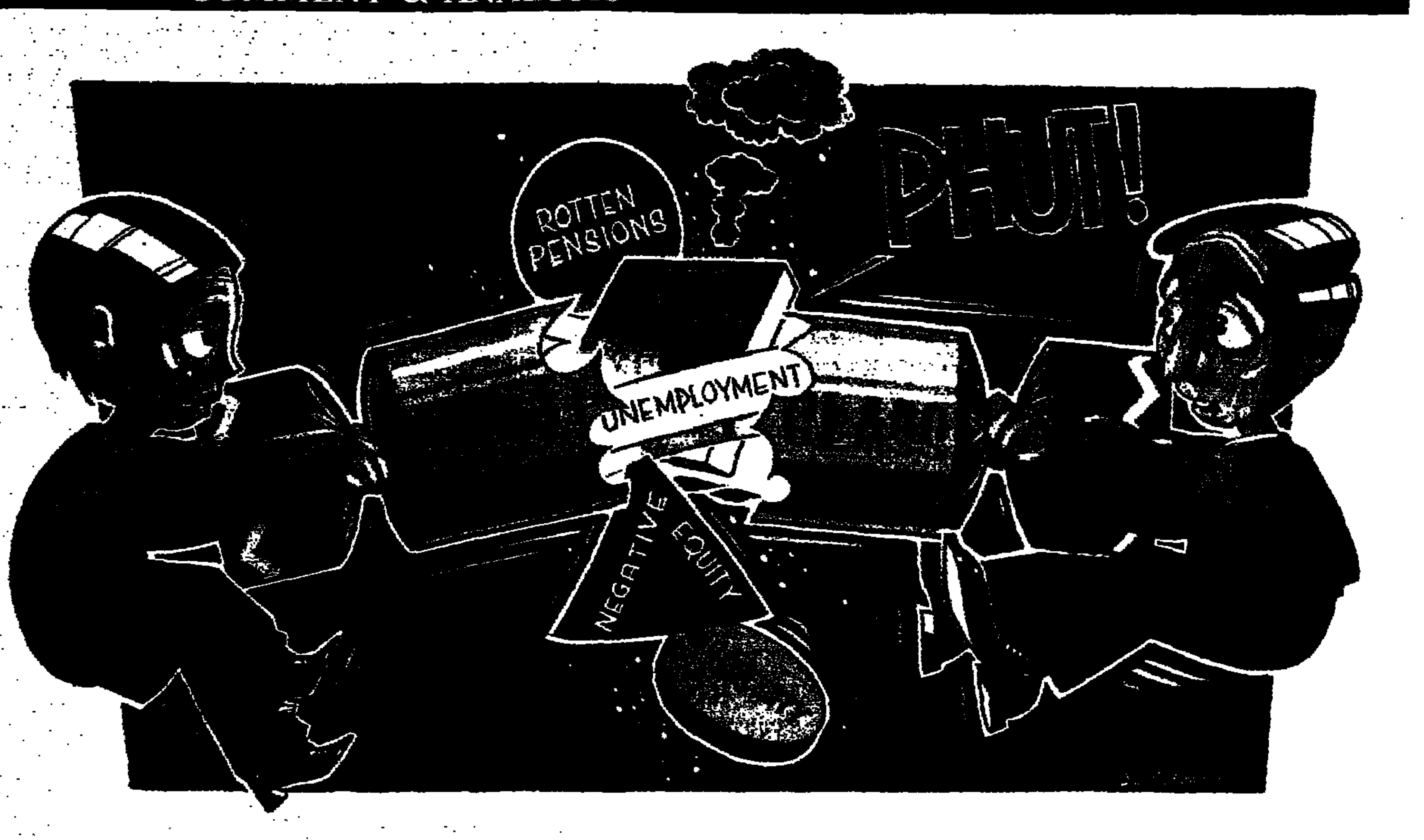
## Centripetal tendencies

The concentration of the UK's wealth in the south-east is not just a cause of the gathering together of cultural life in the capital but also, in a vicious circle, partly a consequence. Germany, by contrast, has helped economic decentralisation by subsidising culture in all significant cities. Although the UK will never match German decentralisation, it would be economically and socially desirable for it to inch in that direction. Yet so strong are the centripetal tendencies that this is unlikely to happen without conscious effort.

How is this effort to be made? The broad answer is to develop better facilities in the provinces. It is not just a matter of building a modern infrastructure, important though that is, because business is attracted by more than new roads and bridges. It is also attracted by what makes life enjoyable. Among the more important components are what appeals to the elites, for the simple reason that they largely determine the quantity and quality of business activity.

The mistake made by the self-proclaimed anti-elitists is to condemn what appeals to such elites as being of little benefit to everyone else. This is doubly wrong: because culture can matter to anyone and because those who prefer rugby to opera benefit from the presence in their communities of those who prefer opera to rugby. But rugby can surely pay its own way, while opera cannot.

The economic future of south Wales, with its love of singing and splendid opera company, will depend more on the Queen of the Night than on moribund old king coal. There may have been sound reasons for rejecting this project. That it was undesirably elitist was not among them.




# Bang go the great expectations

## More than 16 years of supposedly sympathetic Conservative rule have left the UK's middle classes feeling betrayed, says **John Plender**

George Orwell, in *The Road to Wigan Pier*, sought to cheer downwardly mobile members of the middle classes by telling them that they had nothing to lose but their aitches. Today such austere humour would not go down well in Middle England. Despite more than 16 years of supposedly sympathetic Tory rule, the British middle class has celebrated Christmas in a state of unusual insecurity. The question is whether this bourgeois malaise is justified.

Up to a point, it is. The experience of redundancy, which used to be mainly a cyclical phenomenon affecting manual workers, now reaches high into the white-collar ranks. A symbolic pointer came earlier this year with Glaxo's takeover of Wellcome.

Glaxo, which transformed itself in 15 years from an unexciting baby-food-to-drugs concern into the world's largest producer of prescription medicines, could be regarded as the ultimate triumph of middle-class business endeavour – a repository of some of Britain's most impressive human capital. Yet it recently announced 7,500 job cuts arising from the integration of its business with Wellcome.

Job insecurity, it seems, attends even the most successful companies. Note, too, in passing, that job creation arising from Glaxo's astonishing growth was confined to its foreign activities. Between 1980 and 1994 the average number of UK employees actually fell from 14,816 to 12,000, while overseas jobs increased from 14,371 to 35,189.

Most of the growth in the UK labour force over the same period has come from the increasing participation of women, especially in the service sector. Here, too, conditions are changing at the middle-class end of the market. Managerial and clerical workers in retail banking have worked in one of the few sectors of the economy to have shown a net increase in jobs over the past 15 years. Yet they suddenly face a painful retrenchment following takeovers such as Lloyds Bank's of the TSB Group.

Rationalisation in financial services has much further to go, because the British high street is overbanked and takeovers offer scope for economies of scale. At the same time life assurance is facing a Big Bang with greater transparency over costs: the resulting increased competition will cause further job losses. In corporate finance departments around the City it is rumoured that as many as 40 life companies are up for sale. Not a cheering thought for employees.

Perhaps the most striking indication of the way the wind now blows for the middle class is the state of employment prospects in Whitehall. For the past century the civil service has been a place where it was always possible, in the words of the poet Louis McNeice, "to sit on your arse for 50 years and hang your hat on a pension".

No more. By 1998-99 the annual running cost of the civil service is projected to be £1.9bn ($2.9bn) lower, in real terms, than in the current year. The cuts, announced by Mr Kenneth Clarke, the chancellor, in his Budget last month, are to finance pre-electoral tax reductions designed, no doubt, to appeal to the rest of the middle classes.

In Britain, unlike the US, unemployment still carries a stigma. And unlike continental Europe, Britain relies on takeovers to make structural adjustments to the economy – an unpleasantly rough-and-tumble experience for employees.

Yet for all that, the middle-class experience of redundancy, which can include counselling, retraining and attractive pay-offs, is nothing like as harsh as it is for people lower down the scale, whose employment opportunities have been declining more. The penalties for the least skilled, both young and old, in losing a job are very severe.

In 1992, according to Paul Gregg and Jonathan Wadsworth in the spring edition of the Oxford Review of Economic Policy, only 20 per cent of jobs filled by those out of work were full-time. Typically, jobs for people coming back into the workforce offer only half the wages of all jobs – and real wages for such jobs did not rise between 1979 and 1989. While widespread unemployment is a shocking novelty for the middle classes, the experience is more devastating for the low-skilled.

What, then, of the insecurities induced by the housing market? This is a related phenomenon, since the casualisation of the labour market reduces the level of confidence among potential buyers while making lenders more cautious.

There is also a paradox, in that successive Tory administrations had expected an increase in home ownership to spread middle-class aspirations and give people a more secure stake in society. Yet in many cases it has merely saddled buyers with substantial debt.

The concern over a fall of about 12 per cent in average house prices since 1989 is nonetheless overdone. The 2m or so whose mortgage debt exceeds the probable value of their homes are not a large proportion of households. Mortgage interest rates are now at their lowest level, at least in nominal terms, for decades. More important, in the present context, is that this is scarcely a middle-class problem at all.

As Rob Thomas of UBS, the stockbroker, has pointed out, the pain is heavily concentrated in poorer neighbourhoods. It is also concentrated in the bottom end of the market: studio flats, one-bedroom flats and former council houses. These were in the most heavily borrowed segment of the market in the 1980s, attracting first-time buyers. The borrowers are now afflicted with negative equity, low liquidity and – particularly working-class mortgagors – arrears.

This is of some political importance. For those whose aspirations towards middle-class status have been knocked on the head are precisely the upwardly mobile ones on whom the Conservatives relied in 1979 and subsequent elections to turn the electoral tide. They have now been immobilised in their own homes, or unceremoniously returned to the rented sector via repossession. So this is a case of the working class being put back in its place, admittedly unintentionally, by the Tories. It is no cause for middle-class angst.

Perhaps the larger problem is simply one of frustrated expectations. Much of the growth in the present economic upturn has gone into cutting government borrowing and raising corporate profits. At a more fundamental level, the welfare state is failing to deliver either the degree of choice or quality, in such services as healthcare and education, that the middle classes want.

As Lord Skidelsky, the political economist, argues in the latest issue of Prospect magazine, the explosion of welfare payments to people who make no contribution to their cost is "crowding out" earlier commitments to provide universal services that taxpayers can enjoy. The majority, including the middle classes, ends up feeling that it is not getting value for its money.

The frustrated expectations syndrome is particularly intense over the cost of care for the elderly. Having been promised by Mr John Major, the prime minister, that wealth would "cascade down the generations", the children of aged parents are shocked to see homes sold to pay for residential care. Palliatives in the Budget look insufficient to remedy the discontent.

Perhaps none of this would have affected the middle-class psyche so deeply if people had more control over their own wealth. Yet the standard occupational pension scheme, often described as the middle-class person's second-biggest asset after the home, is not an asset at all. It is a mere promise of a pension, offering no direct ownership rights or effective participation.

Such disembodied capitalism leaves many feeling disenfranchised. That feeling is reinforced when the lion's share of pension fund surpluses goes into reducing company pension contributions, while smaller sums have been used to improve benefits.

Hence the suspicion, which emerged so clearly during the boardroom pay row at British Gas, that the government has created a country fit for bosses, but not the bourgeoisie. There is anger that, while jobs are being lost, directors' pay invariably increases faster than that of the workforce. And the directors also have the means to bump up their own pensions, usually at the expense of shareholders.

This is not a form of enterprise culture to which the middle classes will be readily reconciled. For while it is good to see businesspeople finally being paid as much as lawyers and pop stars, it is less attractive when the links between performance and reward are so tenuous.

Whether the combined efforts of the barons of industry and finance on the Greenbury and Cadbury committees can neutralise the boardroom pay issue before the next election remains to be seen. The middle classes, already in a prickly state, have been neither prepared, nor squared. They may, along with working-class home-owners, wish to extract a price for the neglect of their discontents.

**TECHNOLOGY:** The information superhighway

# Like a double-decker bus in a country lane

## Online services are still too slow – but greater speed is coming, says **Paul Taylor**

The big present at Christmas this year in homes across the world has been one of the new generation of multimedia computers, complete with CD-Rom drive, stereo sound card and modem that connects the PC to the telephone network.

With almost 1.5m computers bought by households in Europe alone in the past three months, hundreds of thousands of people are for the first time sampling consumer online services and the Internet – the informal global network of computers. They join the rapidly growing population of between 35m and 50m people worldwide who already have access to the information superhighway.

Most will be astonished at the variety of information and services available. The World Wide Web – the fastest growing and most easily mastered area of the Internet – provides access to perhaps 30m pages of text and graphics on almost every conceivable subject.

Services available online include problem-solving advice on how to use computers, weather forecasts, airline schedules, home shopping and games. Users can send electronic mail or join in Internet news discussion groups or in the "chat rooms" and forums organised by services such as CompuServe or America Online. For relaxation, they can play computer games such as Doom, Mortal Kombat and Streetfighter against other users.

But they will quickly find that travelling the information superhighway is more like trying to navigate a double-decker bus down a single-track country lane than racing along in the computer equivalent of a Porsche.

Most multimedia PCs are sold with modems that handle 14,400 bits per second (bps), although the latest models now offer twice that. Faster modems may be built, but technologists believe the limit is about 34,000bps.

Even the fastest modems can take almost 10 minutes to download a complex image. This means most games lack animation and sound, and there can be long delays while pages load.

Similar problems have stunted the distribution of music in digital form through the Internet. Downloading a 50-minute rock album still takes over an hour.

Three innovations in the next few years could help overcome such problems: greater use of data-compression to transmit data faster over the telephone network; faster modems and transmission devices; and wider electronic pathways with more capacity to carry digital information.

The first significant step-up in speed will come with the more widespread use of Integrated Services Digital Network (ISDN) services. ISDN enables data to be transmitted much more quickly over existing ordinary copper telephone lines, but requires special equipment in the telephone exchange and the customer's home.

ISDN can be installed on request by most telephone network operators, but most have not promoted it aggressively. In places such as California and Germany, where local telephone operators have offered low installation prices, the number of ISDN lines is growing rapidly. In Germany the number of ISDN lines jumped from fewer than 100,000 in 1990 to almost 1.85m last year.

Consumer demand has been much more subdued in countries such as the UK, where British Telecommunications charges £400 for an ISDN connection and markets the service almost exclusively to the business user.

The second innovation designed to increase speed will be cable modems or cable ports, which can deliver much greater amounts of information using their existing cable networks. These are now under test by many US and European cable operators. They would allow interactive services such as one-to-one video-conferencing, or viewing a video of a prospective holiday location.

Intel, Motorola and Hewlett-Packard have all developed cable modems aimed at this emerging market. In the US there are reports of waiting lists for the new equipment, with consumers refusing to hand back their cable modems at the end of trials.

However, even cable modems are unlikely to deliver true "broadband" services such as video-on-demand because total line capacity is shared between users. That means that if lots of people decide to go online simultaneously, transmission speeds will slow dramatically.

"The technology is ideal for delivering short video sequences of two or three minutes," says Mr Jans Bodenkamp of Intel. He suggests it will be ideal for services such as travel agents wanting to show holiday clips.

Wider pathways, the third innovation for raising speed, require the replacement of existing cable networks with very high-capacity optical fibre systems. At present, many cable and telephone companies use an optical fibre basis for the spine of their networks, but rely on older, lower-capacity wiring for the final connections to homes and offices.

The superhighway of the future is likely to be built using optical fibre throughout, while new technologies to exploit the higher capacity are beginning to emerge.

We are still, therefore, some years off what one commentator describes as a "network nirvana", when feature-length films and three-dimensional games are available online and on demand. But the technology is moving inexorably in that direction.

FINANCIAL TIMES
Wednesday December 27 1995



# Give them Acapulco every time

## Tough US safety standards and union demands mean Mexican truck drivers are unlikely to get their kicks on route 66, writes **Leslie Crawford**

Sitting in a roadside cafe on the outskirts of Mexico City, drinking tequila to ward off the winter cold, Mexican truckers were swapping anecdotes about the highway police and the prices paid for the absolution of a faulty rig.

José Angel Ibañez was not fussed that the US government is standing in the path of Mexican trucks, which were due this month to have unlimited access to the US and Canada under the North American Free Trade Agreement.

"In the US," Mr Ibañez explained, "your truck has to be in perfect condition or you are pulled off the road. In Mexico, you can bribe your way out of any problem: threadbare tyres, no seat belts, broken bolts. Twenty pesos is enough to keep the highway police happy."

In delaying the opening of the road haulage market, Mr Federico Peña, the US transport secretary, argued that Mexican trucks did not meet US road safety and environmental standards. His decision means the operations of Mexican trucks would remain limited to a narrow zone across the 2,000-mile border.

Although the US decision drew a formal complaint from the Mexican government, there was hardly a murmur of protest from Mexican transport companies. "I don't know of a single Mexican trucking company which wants to open branches in the US right now," says Mr Pablo Seefoó, manager of Yellow Freight Mexicana, a subsidiary of Yellow Freight Systems in the US.

"Can you imagine what it would cost? For a start, the Teamsters are paid in dollars, and by the hour. I pay my drivers in pesos, and by the job lot. I would have to bring my trucks up to US standards. Then there is the cost of setting up a US network, with proper maintenance facilities, warehouses, terminals .... It really is beyond the means of Mexico's transport industry."

So, instead of having the freedom to roam between the Yukon and the Yucatán, Mr Seefoó believes Mexican transport companies will continue to deposit their cargo at the US border, where it is picked up by their US counterparts.

The handover system has led to huge traffic jams at the main crossing points between Ciudad Juárez and El Paso, Texas, and between Nuevo Laredo and Laredo, further east. The border towns have been unable to cope with the surge in activity since Mexico joined Nafta in January 1994. More than 80 per cent of Mexico's $100bn trade with the US is carried overland, and in the past two years Mexico's exports to the US have grown by more than 50 per cent.

US inspectors believe that allowing Mexican trucks into the US will cause even longer delays at border crossings, because of the need for drug searches and safety checks.

Mexican truck drivers say venturing further north is not worth the hassle. Even if they were allowed to drive their trucks to Alaska, Nafta would not give them the labour rights enjoyed by US transport union members.

Mr Ibañez has driven an oil truck in the US, and did not enjoy the experience. The Teamsters, he says, did not welcome his presence on US roads. Food was expensive, and the highway police would not let him sleep in his truck – a 45-foot Canadian giant bedecked with images of the Virgin of Guadalupe and less virtuous women.

"The Teamsters work eight-hour days," says Mr Ibañez, who has spent the past 19 years on the road. "In Mexico, I have driven 20 hours without a break to meet delivery schedules. We get paid by the trip. It doesn't pay to stick around."

North of the border, meanwhile, the Teamsters' union has lodged a lawsuit to delay Nafta's trucking provisions indefinitely. "The real solution is to have American trucking done by American workers with American safety standards and American wages," says Mr Ron Carey, the Teamsters' general president.

The Teamsters' hostility is one reason why Mexican truckers would rather leave US roads to the Americans and their unbending laws.

"There's too much racial discrimination in the US," says Mr Cruz Mendoza, a 23-year-old who drives a six-axle trailer. "Why should I go to suffer there?"

If Mr Mendoza has his way, he will continue to cruise down the Acapulco Highway, salsa on the radio, with a tequila bottle and, he says, a girlfriend waiting for him at each roadside cafe.

# Asian businessmen plan bank in UK

## Proposal aimed at commercial investors and new opportunities in India

**By Khozem Merchant**

The Bank of England has received proposals for a London-based Asian Bank backed by some of Britain's most successful Asian businessmen.

The move represents the first serious and large-scale foray by UK Asians into the UK financial services sector. "It is very preliminary at this stage; there's a long way to go," said a Bank of England spokesman.

The Hinduja brothers, one of Britain's wealthiest Asian families, have emerged as the driving force behind the venture. They have teamed up with some of Britain's most successful Asian businessmen to launch the bank, aimed at tapping the potential of the UK's Asian commercial classes and opportunities in the liberalising Indian economy.

Detailed studies on a business plan and the bank's capitalisation have been under way for some weeks. A formal application for a banking licence is likely to be submitted to the Bank of England early next year.

The Asian British Business Community, a coalition of Asian interests drawn from UK industry, retailing and the distributive trades, was formed last autumn to oversee the creation of the bank.

The proposed Asian British Bank, would "seek to provide what is missing [in UK financial services] to the Asian community," an ABBC member said. "An experienced British banker, familiar with the Asian culture" was due to take up a full-time post with the ABBC on January 1 to oversee the bank's creation.

The ABBC's leading backers include Mr Gopi Hinduja and Mr Srichand Hinduja, the London-based brothers who head a family empire with interests in India, the Middle East and Europe. Last year, the family launched Bombay-based IndusInd Bank, India's first privately owned bank since economic reforms started in 1991. They also launched Amas, a bank based in Switzerland.

It is planned that the new UK institution would seek a listing on the London stock exchange, with between 40 per cent and 45 per cent of the equity "preferably being taken up by UK institutional investors", the ABBC said, adding that the "small Asian investor would be equally welcome".

# Exxon to start Algeria talks

Continued from Page 1

compete for a share of the German gas market, the largest in Europe, is relying on foreign companies to help finance ambitious expansion plans.

Algeria is particularly keen to attract US and British oil groups to the country, where Italian and French companies have been most active in the past.

Government officials hope the BP deal will prompt other western oil companies to overcome their concerns about the security situation in Algeria.

Although industry analysts said the conclusion of an agreement with BP after five years of negotiations should have a positive impact on sentiment, the signing ceremony at Hassi Massaoud, Algeria's southern oil centre, highlighted the difficulties foreign companies face in operating in the country.

Heavily sandbagged army positions complete with machine-gun posts blocked entrances to the town, where most foreigners live within fortified compounds. Dozens of army commandos and other security officials were on hand to escort the BP delegation, which had flown in direct from London. BP officials, however, were confident that the security situation was "manageable".

Confidential portions of the contract include provisions to allow other companies with projects around In Salah to use the pipeline that BP intends to build to link the area to Algeria's main gas export network to Europe.

# Tokyo to tighten rules

Continued from Page 1

risk management systems at three of the New York branches of leading Japanese banks, though officials declined to identify them. They said inspections of other banks' New York operations would be completed by the spring next year.

The central bank also said it was widening the scope of its regular examinations of overseas branches, it conducts detailed triennial inspections of banks' New York and London branches but they will now be extended to cover Hong Kong.

The announcement came at the end of a dismal year for Japanese banks. A succession of financial collapses at smaller institutions was largely the result of the banks' reckless lending in the bubble years of the late 1980s.

But the larger banks also had problems – resulting in the accumulation of at least Y40,000bn ($400bn) in non-performing loans on their balance sheets. Last week the government was forced to announce plans to spend Y685bn of public funds to help some of the weaker institutions.

In September, Daiwa Bank, one of the country's largest, revealed losses of more than $1.1bn in its New York branch over 11 years.

In November, Daiwa was expelled from the US by the Federal Reserve, and indicted on charges of fraud. Mr Takemura said the finance ministry should take responsibility for some of the problems because of the failure of its checking mechanisms.

THE LEX COLUMN

# Privatisation pitfalls

The more popular privatisation has become among hard-up governments, the less appealing it seems to be for investors. The attempt to replicate the UK model throughout Europe has been only partially successful. Many of this year's deals have performed poorly, while others have been cancelled, cut, or postponed. The result is a logjam: of the long list of deals slated for 1996, not all will see the light of day.

There was always a danger that European privatisation would run into difficulty. In the early years, large UK privatisations took centre-stage in the nascent international equities market. Now, privatisation offerings from all over Europe compete for investors' attention, along with private sector deals and emerging market transactions. Flotations of private, often family-held, companies in continental Europe – such as the German pharmaceuticals company Merck this year – are becoming a feature.

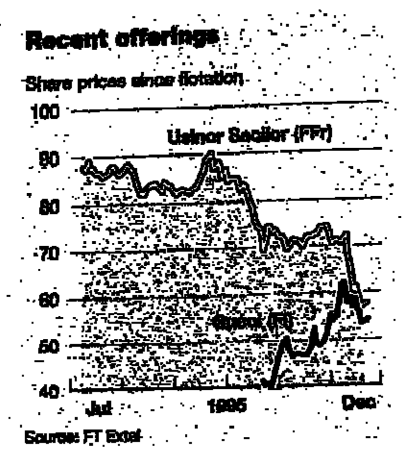
There is also a quality issue: the prospects for many European privatisation stocks are less than rosy. While shareholders reaped the post-privatisation efficiency gains at badly-run British state-owned companies, social legislation in continental European companies makes the restructuring of over-staffed state industries difficult.

The paper overhang has been exacerbated by a concentration of deals in particular sectors, most notably telecoms. Next year will bring the second largest privatisation offering ever, from Deutsche Telekom. Because of the importance of the company within the German economy, the stock will be a must for some international investors. But France, Italy, Israel and Turkey are all planning telecoms deals. As last month's botched offering for Indonesia Telkom showed, investors faced with an *embarras de richesses* can get picky.

But oversupply is a symptom rather than the cause of the privatisation bottleneck. The main cause is the lack of a strong equity investor base. Without a hard core of demand, large deals rely on international investors – basically British and American fund managers. Privatisation ran into problems this year because of, rather than despite, the bull market conditions in the US and UK markets: with investors loath to miss out on the domestic market bonanza, the flow of funds into international markets dried up. This could change in 1996, as low interest rates and a peak in the US earnings cycle drives a search for growth. The result may well be a return to favour of emerging market deals.

**Recent offerings**

Share prices since flotation




Source: FT Extel

Low domestic participation is harder to remedy, since the creation of a pension fund industry is an extremely slow process. Still, more could be done to foster retail demand. The partly-paid structure used by the UK government, for example, has been largely shunned by European governments. Still, those countries such as Spain which have worked hard at establishing domestic retail distribution will reap the rewards. Countries such as France, where offerings have performed direly in the secondary market, will find it extremely difficult to get deals done in the coming year. Privatisation is no longer a magic word. Despite a potential inflow of US funds, it could be a dirty word by the end of the year if deals are not priced cheaply and structured sensibly.

## Mergers and acquisitions

It has been a vintage year for mergers and acquisitions, with record levels of deals on both sides of the Atlantic. But despite the flow of mega-deals, the overriding atmosphere has been one of corporate sobriety, a long way from the war cries of the corporate raiders in the late 1980s. And conditions look favourable for a further growth in M&A activity this year. Year-end cuts in interest rates have reduced funding costs; they also make discounted cash flow valuations look more attractive. Corporate cash-flow is growing fast, while banks are awash with cash for corporate loans. The conditions which sparked much of this year's activity – a push to reduce costs through consolidation in order to compete in a low-growth, low-inflation environment – are set to continue. In the UK, the threat of a less laisser faire government after the next election could also accelerate the process. Finally, there is a weight of money in leveraged-buy-out funds which has yet to pour forth into M&A deals. This is a likely feature in 1996.

In 1995, Securities Data estimates, total M&A activity rose 37 per cent to $671bn, with much of this focused on just a handful of sectors. Deal flow has primarily been driven by three factors: regulatory changes sparked an explosion of takeovers in the UK's electricity sector; technological changes drove the mega-deals in media and telecommunications; and the tough operating environment has encouraged numerous industries, such as the US and Italian banking systems, to focus on reducing costs or excess capacity through consolidation. Media, banking, telecommunications and pharmaceuticals alone accounted for almost 80 per cent of all M&A deals last year. There is plenty of scope for further activity in all these areas. Consolidation in the pharmaceuticals industry is well advanced, but there is still scope for a deal involving Zeneca.

Looking for the next sectors to join the M&A party, there are several obvious candidates. With widespread cuts in defence budgets around the world, the defence and aerospace industry looks set to shrink. There are rumours of merger talks at Boeing and McDonnell-Douglas, following on the heels of Lockheed and Martin Marietta. Politics may slow the process, but change is inevitable. There has been a spate of international alliances among telecoms and airline companies, and these could lead to actual takeovers. The larger food and spirits companies look set to continue swallowing smaller competitors, driven by the benefits of removing distribution costs and adding marketing muscle. And there is substantial scope for consolidation in other areas of financial services, such as insurance.

Most of these deals will have one thing in common – sound industrial strategy. With investors rewarding more focused businesses, companies are expanding global reach in existing businesses, rather than acting as portfolio managers. Granada's attack on UK hotel company Forte is a rare exception, and Granada's share price has reflected concerns over conglomeration, falling 9 per cent since it launched the bid. Nonetheless, it suggests that as corporate cash balances continue to grow, industrial logic could start to vanish from the equation.



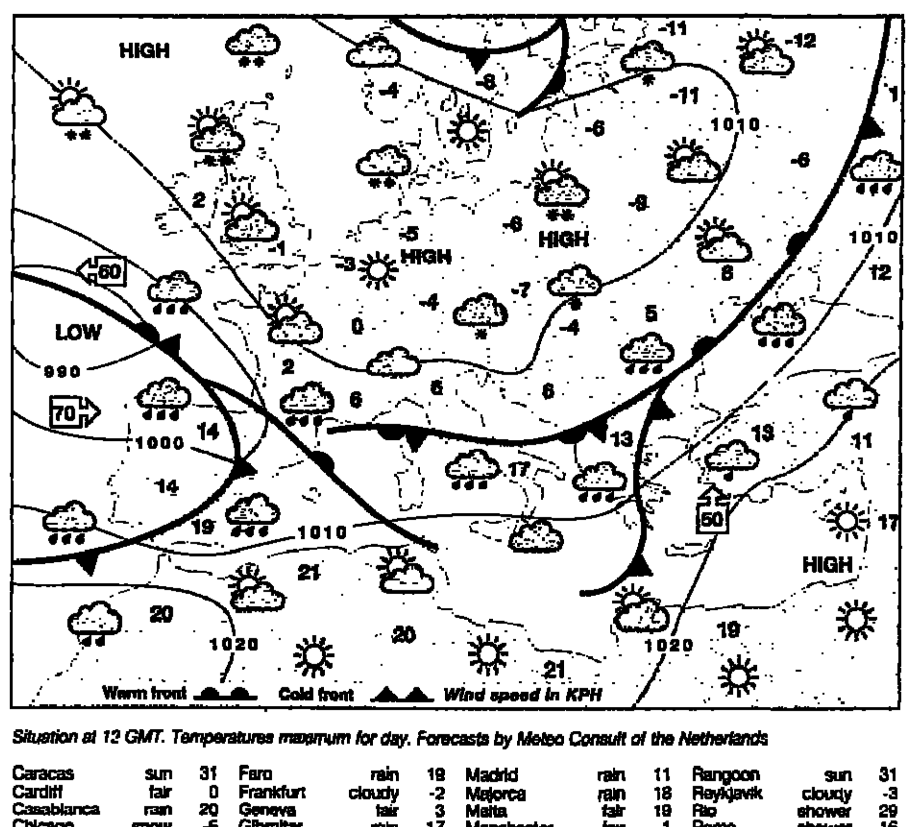
FT WEATHER GUIDE

## Europe today

Very cold air will persist over Scandinavia. Wintry showers will move south along the coasts of southern Norway, Denmark and Scotland. Further inland, sunny spells will occur with afternoon temperatures from -5C to 0C. The Low Countries, northern France and northern Germany will be settled and rather sunny but will also have freezing conditions. Cloud will linger from Bavaria to Poland giving a few snow flurries. Southern France will become cloudier with rain arriving from the south-west. The Atlantic coasts of Portugal and Spain will have very heavy rain but the Mediterranean coasts will stay mild and dry. Much of central and southern Italy will have showers and even some thunder. Torrential rain is expected over much of the former Yugoslavia.

## Five-day forecast

Wintry air over northern and central Europe will continuously interact with mild and moist air from the Mediterranean countries. As a result, Spain, southern France, Italy and the Balkans will be very unsettled. Elsewhere, it will remain wintry with patches of snow.




Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

**TODAY'S TEMPERATURES**

| | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Maximum | | Beijing | fair | -3 | Caracas | sun | 31 | Faro | rain | 19 | Madrid | rain | 11 | Rangoon | sun | 31 |
| | Celsius | | Belfast | fair | 0 | Cardiff | fair | 0 | Frankfurt | cloudy | -2 | Majorca | rain | 18 | Reykjavik | cloudy | -3 |
| Abu Dhabi | sun | 22 | Belgrade | rain | 7 | Casablanca | rain | 20 | Geneva | fair | 3 | Malta | fair | 19 | Rio | shower | 29 |
| Accra | fair | 32 | Berlin | fair | -3 | Chicago | snow | -6 | Gibraltar | rain | 17 | Manchester | fair | 1 | Rome | shower | 16 |
| Algiers | fair | 22 | Bermuda | shower | 19 | Cologne | fair | -2 | Glasgow | fair | -2 | Manila | fair | 31 | S. Frsco | sun | 13 |
| Amsterdam | fair | -1 | Bogota | shower | 18 | Dakar | sun | 27 | Hamburg | cloudy | -4 | Melbourne | fair | 21 | Seoul | fair | 3 |
| Athens | cloudy | 18 | Bombay | fair | 31 | Dallas | fair | 11 | Helsinki | cloudy | -8 | Mexico City | fair | 21 | Singapore | shower | 29 |
| Atlanta | sun | 10 | Brussels | fair | -2 | Delhi | fair | 22 | Hong Kong | fair | 20 | Miami | fair | 21 | Stockholm | fair | -10 |
| B. Aires | sun | 29 | Budapest | snow | 0 | Dubai | sun | 22 | Honolulu | fair | 28 | Milan | cloudy | 5 | Strasbourg | cloudy | 0 |
| B.ham | fair | 0 | C.hagen | fair | -3 | Dublin | fair | 2 | Istanbul | fair | 18 | Montreal | snow | -10 | Sydney | fair | 29 |
| Bangkok | sun | 30 | Cairo | sun | 19 | Dubrovnik | rain | 14 | Jakarta | shower | 31 | Moscow | fair | -11 | Tangier | rain | 18 |
| Barcelona | shower | 14 | Cape Town | fair | 26 | Edinburgh | fair | -1 | Jersey | fair | 4 | Munich | snow | -3 | Tel Aviv | sun | 20 |
| | | | | | | | | | Karachi | sun | 26 | Nairobi | fair | 28 | Tokyo | sun | 9 |
| | | | | | | | | | Kuwait | sun | 18 | Naples | shower | 16 | Toronto | snow | -7 |

FINANCIAL TIMES
# COMPANIES & MARKETS
Wednesday December 27 1995





## IN BRIEF

### Donohue to acquire Quno for C$1.1bn

Donohue, the Canadian company controlled by the Quebecor International publishing and printing group, plans to form North America's third-largest newsprint producer by taking over Quno for C$1.1bn (US$800m) or C$30.50 a share. Page 13

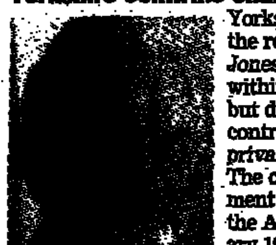
**Air force chief to head Thai Airways**
Thai International Airways suffered a setback in its struggle to repair the damage of past military interference and develop a professional management after the appointment of Mr Siripong Thongyai, air force chief, as chairman. Page 13

**GE Capital agrees to buy Aon arm**
GE Capital, the financial services subsidiary of General Electric of the US, is to pay $960m for The Life Insurance Company of Virginia, part of Aon Corporation, the Chicago-based insurance group. Page 13

**N&P bee grounded as takeover nears**
National & Provincial Building Society, the UK's seventh largest, is to write to 750,000 of its members next month to check that they are not eligible to vote in April on the £1.35bn ($2.07bn) takeover offer from Abbey National, the UK bank. Members ineligible to vote are either under 18 or had less than £100 in an investment account last April. It has also become clear that N&P's brand and logo will disappear. "We might find a use for the bee at some point in the future," was the most Mr Bob Knighton, Abbey's director of operations, would say. Page 12

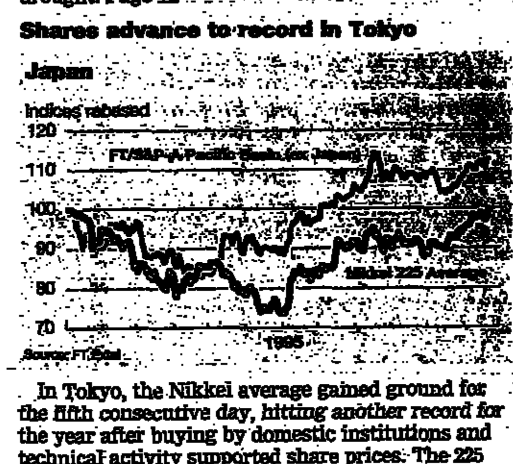
**Winds of change rattle coat hangers**
That most unfashionable of wardrobe items, the coat hanger, is coming out of the closet. After years in the shadows of the glamorous world of fashion, hangers were thrust into the limelight when Ferguson International, the diversified UK manufacturer, said it wanted to sell its plastic hanger division, citing "substantial changes" in the market. Page 12

**Yorkshire confirms chairman's retirement**



Yorkshire Water confirmed the retirement of Sir Gordon Jones (left), chairman, within the next six months, but denied it was a result of controversy surrounding the privatised UK water utility. The company said his retirement had been signalled at the AGM in July. In February 1997 he will be 70, the age at which all Yorkshire directors must retire. Yorkshire received criticism during the summer as the furore surrounding UK executive pay became linked with difficulties in water supply during a drought. Page 12

**Shares advance to record in Tokyo**




In Tokyo, the Nikkei average gained ground for the fifth consecutive day, hitting another record for the year after buying by domestic institutions and technical activity supported share prices. The 225 index closed with a rise of 129.31, or 0.7 per cent, at the day's high of 19,904.72. On Monday, the index moved up 30.99 to 19,775.41. Back Page; Japan's brokers look for new year rally, Page 18

**Istanbul shares climb on coalition talks**
Shares on Istanbul's stock exchange climbed strongly as market sentiment improved after coalition talks between Turkey's secularist parties to keep out of power the Islamist Welfare party, which won the largest share of the vote in the country's general election. The IMKB-100 closed 5.8 per cent higher at 41,584.97. It had fallen 6.5 per cent on Monday on the failure of the election to produce an outright winner. Back Page

### Companies in this issue



### Market Statistics



### Chief price changes yesterday

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **NEW YORK ($)** | | | | Essilor Int | 947 | − | 13 |
| **Rises** | | | | Immobanque | 620 | − | 20 |
| Mela Group | 27⅞ | + | 2⅝ | Taittinger | 1602 | − | 58 |
| NPS Pharm | 15¼ | + | 4⅛ | **TOKYO (Yen)** | | | |
| Vitalink Pharm | 22⅜ | + | 3⅜ | **Rises** | | | |
| **Falls** | | | | Calsonic | 750 | + | 32 |
| Cyrix Corp | 23 | − | 2⅝ | Fuji El Chem | 583 | + | 35 |
| Edmark Corp | 29 | − | 3 | Mitsui Sugar | 855 | + | 31 |
| Spinnaker Ind | 44½ | − | 6½ | Toshoku | 508 | + | 37 |
| **PARIS (FFr)** | | | | **Falls** | | | |
| **Rises** | | | | Kyotaru | 730 | − | 40 |
| BIC | 484 | + | 8.5 | Nissin Elec | 756 | − | 29 |
| Radiotechnique | 253 | + | 12.5 | | | | |
| **Falls** | | | | | | | |
| Air Liquide | 817 | − | 10 | | | | |

London and Frankfurt closed. New York prices at 12.30pm.

# Forte prepares final bid defences

By Scheherazade Daneshkhu and Christopher Price in London

Forte, the UK's largest hotels company, will today launch a series of salvos in its defence against a £3.2bn ($5bn) hostile bid from Granada, the television, catering and leisure group.

First will come confirmation that it proposes to sell its restaurants business and the Travelodge chain of budget hotels to Whitbread for more than £1bn.

This will be followed by the disclosure that Christie & Co, the property surveyors, has revalued its hotels at about £3.1bn – 10 per cent above the last estimate in January 1994. This excludes Forte's 68 per cent stake in the Savoy group, which it plans to sell.

Forte is also expected to announce an increase in its dividend, which was cut from 9.9p to 7.5p for the year to January 31 1993 and last raised five years ago. It is also likely to promise shareholders a special dividend if the deal with Whitbread, the brewing and leisure company, is completed.

The agreement with Whitbread, conditional on Granada's bid lapsing, covers 364 Little Chef and 68 Happy Eater roadside eateries, 30 French service stations areas, 127 budget Travelodge hotels and 30 Welcome Break service stations. It does not include Wheelers fish restaurants.

Granada said yesterday that Forte was a forced seller and any price had to be suspect. Granada was offering Forte shareholders the "constructive" route of a management with a good track record to build on Forte's business, instead of the "sterile" route of selling bits of the company.

Nevertheless, the emergence of a buyer for the restaurants business and a hotels revaluation will increase the pressure on Granada to raise its bid. The last date by which it can do so is January 9. At Friday's close, Granada's cash and shares offer values Forte at 322p per share, 4p below Forte's close of 326p.

Whitbread's proposed acquisition is the group's fourth non-brewery related deal in as many months, following the £190m purchase of the David Lloyd leisure clubs, the £180m acquisition of 16 Marriott hotels – making it Britain's third largest hotel group – and the £14m takeover of the Costa Coffee shop chain.

The £1bn purchase price would virtually wipe out Forte's £1.2bn of debt, of which about £750m is bank borrowings and £450m sale and leaseback agreements.

In its final defence document on January 2, Forte will concentrate almost entirely on the hotels side, giving details of trading and booking performance. It will also give a breakdown of the performance of its main hotel brands.

It is expected to show that operating profits from its Exclusive hotels – including the Georges V in Paris and the Grosvenor House in London – accounted for 10 per cent of hotel profits. Meridien, the international chain acquired from Air France last year for FFr1.82bn ($371m), is expected to have contributed 20 per cent. Other London hotels are expected to account for 25 per cent. The Posthouse (including Crest) and Heritage traditional hotels are likely to show contributions of 25 per cent and 20 per cent respectively.

## Big step away from brewing roots

Whitbread's acquisition of Forte's restaurant and Travelodge business would mark the biggest step in the group's strategy of moving away from its brewing roots towards becoming a leisure-oriented company, writes Christopher Price in London.

The proposed £1bn ($1.5bn) deal follows a series of other non-brewery deals in recent months and will come as some relief to Whitbread's management. Led by Mr Peter Jarvis, chief executive, the group had missed out on some other big purchases over the past 18 months.

These included Forte's Harvester chain, which was sold to Bass for £165m, the acquisition of the Chef & Brewer chain by Scottish & Newcastle for £703m from Grand Metropolitan, and the sale of the Courage brewery business by Foster's of Australia to S&N for £425m.

Whitbread's strong balance sheet would enable the group to pay for the Forte deal with debt, sending gearing of 22 per cent up to about 70 per cent. It is also likely to renew speculation as to whether Whitbread will stay in brewing – an industry undergoing consolidation.

Quitting brewing would raise funds to reduce debt giving further scope to invest in leisure businesses and allow Whitbread to slough off a business where margins have been under pressure.

It made £40.4m profits from brewing last year on turnover of £883m. Group profits amounted to £275m on turnover of £2.5bn.

If today's deal goes through, it would reduce the proportion of profits from brewing from about 15 per cent to less than 10 per cent.

Whitbread's restaurant interests include Brewers Fayre, Beefeater, Pizza Hut and TGI Friday.

# Russian bank taps western markets

By Antonia Sharpe in London and Graham Bowley in Moscow

Rossiysky Kredit Bank (RKB) is to become the first Russian commercial bank to borrow on Western capital markets.

Russia's fourth largest bank (in terms of assets) is offering $33.3m of bonds, in a deal arranged by Banque Indosuez, as part of a $100m programme. Other Russian banks are believed to be considering similar action to gain access to foreign capital markets where the cost of borrowing is much lower than in Russia.

Because of the risks associated with lending to Russia, RKB is paying a high margin of about 500 basis points over the London interbank offered rate (Libor) on the zero-coupon bonds. It has also had to settle for a short maturity of three months, although future offerings may have a maturity of up to one year. The average annualised yield is just under 11 per cent.

RKB will make money by lending the proceeds in Moscow's dollar-denominated inter-bank market where rates are higher.

Since the banking crisis in August when some Russian banks defaulted, banks have been limited to borrowing only small amounts of short-term funds – of generally less than one month maturity – on the inter-bank market.

Borrowing has been restricted to a small group of banks and interest rates have risen to 60-100 per cent. This is why some are looking abroad for longer-term and cheaper sources of funds. Mr Alexandr Nikonov, a dealer at RKB, said: "Since the August crisis the Russian inter-bank market has almost frozen. It's a big problem."

RKB will also use the money to invest in Russian rouble-denominated government securities, where the annualised yield in dollar terms could be as high as 80 per cent.

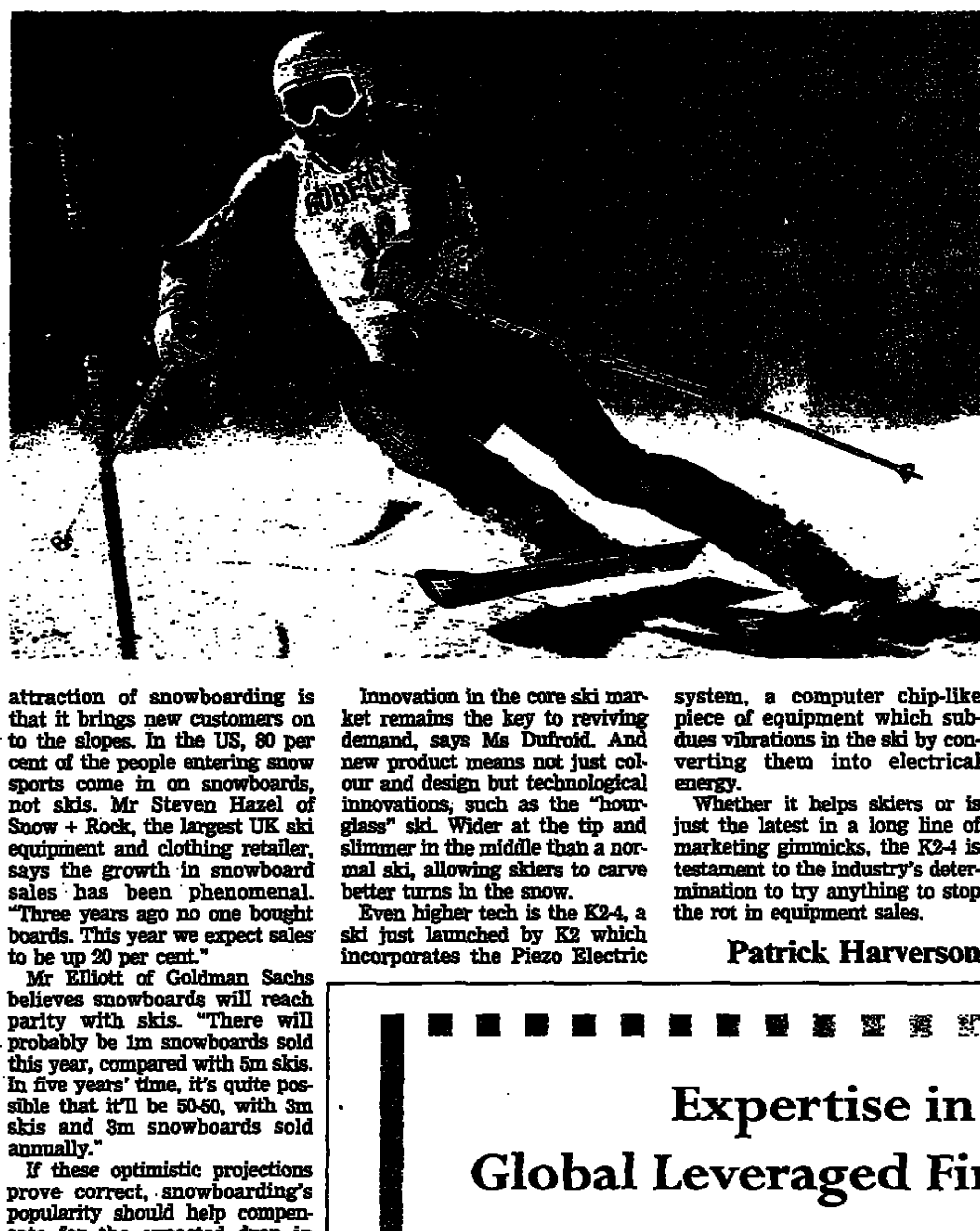
The bonds, in the form of fiduciary notes and fully collateralised by bonds issued by the Russian ministry of finance, will not be listed on an exchange. They can be cleared through Euroclear, the Brussels-based bond clearing and settlement system.

The bonds have been sold mainly to emerging market funds and European banks looking for high-yield assets.

Other Russian commercial banks have attempted to borrow on international capital markets, but so far without success.

## Snowboarding's popularity offers a ray of hope to the ski equipment industry

# Testing time for survivors on the slippery slopes



The last thing ski equipment makers wanted to be told this Christmas was that global warming might one day deprive many Alpine resorts of snow for good.

Yet in early December as the ski industry was worrying about how to stimulate demand for winter sports holidays and reverse the long decline in worldwide ski sales, the World Wide Fund for Nature warned that global warming could leave popular Alpine resorts, such as Val d'Isère and Courchevel, permanently snow-free within 50 years.

Despite the gravity of the threat, ski equipment manufacturers have enough to worry about without fretting over what may happen in half a century's time.

In the last few years, growth in sales of skis, boots and bindings has dried up, and in some areas fallen sharply as the boom in winter sports, so evident in the 1980s, has faltered. Most disturbing has been the decline in ski sales. Since 1991, the volume of manufactured skis dropped from 12m pairs a year to 5m.

A combination of factors has been blamed for the decline: the increasing expense of skiing holidays; the gradual ageing of the skiing population as insufficient numbers of young skiers emerge to replace those leaving the sport; and several years of erratic snowfall in Europe, which has undermined the popularity of winter holidays among all but hard-core skiers.

Also, economic weakness in many countries has forced some regular skiers to pass up their annual winter holidays, most notably in Japan, the world's biggest ski market.

In this testing environment, the smaller equipment manufacturers have suffered most. Mr Charles Elliott, an analyst at Goldman Sachs in London, says that while there were about a dozen "serious" companies in equipment manufacturing three years ago, today there are only three: Groupe Salomon and Skis Rossignol of France, and Benetton of Italy, which owns the Nordica boots and Kastle skis brands.

The rest – among them such famous skiing names as Head, Atomic and Raichle – have been acquired by larger competitors, succumbed to losses or been forced to shrink to the status of niche players, says Mr Elliott.

This consolidation of an industry that boasts about $3bn in annual sales of skis, bindings and boots has left the big three companies in much better shape. They are no longer undermined by the deep discounting of struggling competitors and this season prices are holding up well.

If consolidation has been one bright point amid the gloom, another has been the rapid growth in the popularity of snowboarding – a cross between skateboarding and surfing. Shunned just a few years ago by ski manufacturers (and ski resort operators) as a fad for slovenly dressed youths, snowboarding has survived its "grunge" tag to emerge as a genuine sport, with a full range of equipment.

In the US – the sport's spiritual home – the number of snowboarders is estimated to have risen from a few thousand in the late 1980s to more than 2m in 1994. Winter sports enthusiasts in Europe, and more recently Japan, have also embraced snowboarding, and sales of the equipment have soared.

However, until recently the market was fragmented, with scores of small producers particularly in the US. Only in the last year to 18 months have the big ski makers entered snowboarding. First was Rossignol, which sold 40,000 boards in the 1994-95 season but is expected to double that this winter, followed by Salomon, which this year forged an alliance with US snowboard maker Bonfire.

For manufacturers, the special attraction of snowboarding is that it brings new customers on to the slopes. In the US, 80 per cent of the people entering snow sports come in on snowboards, not skis. Mr Steven Hazel of Snow + Rock, the largest UK ski equipment and clothing retailer, says the growth in snowboard sales has been phenomenal. "Three years ago no one bought boards. This year we expect sales to be up 20 per cent."

Mr Elliott of Goldman Sachs believes snowboards will reach parity with skis. "There will probably be 1m snowboards sold this year, compared with 5m skis. In five years' time, it's quite possible that it'll be 50-50, with 3m skis and 3m snowboards sold annually."

If these optimistic projections prove correct, snowboarding's popularity should help compensate for the expected drop in sales of skis. This season, worldwide ski sales are likely to be down about 10 per cent on the 5m sold in 1994-95, says Ms Lillian Dufroid, analyst at Société Générale, the French bank.

Sales of bindings are also expected to fall, while boot sales are likely to be flat at best. Yet if snowboards are included in the equipment data, analysts estimate the industry will enjoy growth of as much as 5 per cent in sales this winter.

Innovation in the core ski market remains the key to reviving demand, says Ms Dufroid. And new product means not just colour and design but technological innovations, such as the "hourglass" ski. Wider at the tip and slimmer in the middle than a normal ski, allowing skiers to carve better turns in the snow.

Even higher tech is the K2-4, a ski just launched by K2 which incorporates the Piezo Electric system, a computer chip-like piece of equipment which subdues vibrations in the ski by converting them into electrical energy.

Whether it helps skiers or is just the latest in a long line of marketing gimmicks, the K2-4 is testament to the industry's determination to try anything to stop the rot in equipment sales.

**Patrick Harverson**

# Best year since 1989 for large UK management buy-outs

By Richard Gourlay in London

This year will have been the best for management buy-outs in the UK since 1989, both in terms of the number of deals and the value of transactions, according to accountants KPMG.

More than £5.7bn ($8.8bn) of capital has been raised for 111 large MBOs, defined as transactions where the amount raised is more than £10m.

The £2.7bn raised in the last quarter of the year was only a fraction lower than the total invested in large deals in 1994.

The main driver for the rapid increase in investment is the wall of money available to institutional investors in private equity, following an 18-month period in which many have successfully raised new funds.

But Mr Mike Stevens, head of MBOs at KPMG, says the prospect of a change in government has influenced some private company owners to advance plans to sell their businesses. "Some vendors of private companies are wanting to sell out at current tax rates," says Mr Stevens. "That way they achieve certainty."

The last time this level of capital was invested in management buy-outs in a year, the market was showing signs of overheating. Investors were scrambling to get into a market that led to the over-pricing of deals such as the purchase of Magnet, the kitchens company, and Isosceles, owner of the Gateway supermarket chain. Both transactions lost their investors substantial sums.

Observers of the MBO market say competition among investors in private equity for the larger deals has become intense. But few think prices have been forced up to 1989 levels or that excessive amounts of debt are yet being used to finance the transactions.

The 1995 figures are boosted by a flurry of capital flowing into privatised British Rail assets. Porterbrook and Eversholt, two rolling stock leasing companies sold in the last quarter, both required more than £500m of finance. And last week BTR sold Dunlop Slazenger to its management for about £300m.

But even excluding these exceptionally big deals, the volume of large MBOs is sharply up. "There has been a steady build up," says Mr Stevens. "I can imagine the cycle peaking in the first half of 1996 but it will undoubtedly be a strong year."

The rapid increase in capital flowing to large MBOs has, however, reduced the amount of money going into smaller buy-outs, KPMG says. "Funding for deals of under £1m is hard to come by," says Mr Stevens. "Development capital has been in scarce supply." KPMG estimates that about £800m was provided to transactions of less than £10m in size.

# N&P to check accuracy of membership

By Alison Smith, Investment Correspondent

National & Provincial Building Society, the UK's seventh largest, is to write to 750,000 of its members next month to check that they are not eligible to vote on the £1.35bn takeover offer from Abbey National.

Members ineligible to vote are either under 18 or had less than £100 in an investment account last April. Eligible members will have a chance to approve the deal next April.

N&P's move to check the accuracy of its membership lists is a further step towards ensuring that the recommended bid goes ahead smoothly.

The two organisations are already preparing integration of their operations. Mr Bob Knighton, Abbey's director of operations, said the aim was for a clear and complete transfer of the branch networks and the arrangements for savers on to the Abbey systems from the first day – the deal is due to take effect in the summer.

About 120 branches are due to close – some on the first day – leaving a network of 880. Abbey has said there will be no compulsory redundancies among branch staff.

It has also become clear that in the interests of integrating the businesses quickly, N&P's management structure will be fitted into the Abbey's model, and its brand and logo will disappear. "We might find a use for the bee at some point in the future," was the most Mr Knighton would say about the survival prospects for N&P's logo.

There will not be immediate harmonisation of arrangements for N&P borrowers, however.

Mr Alistair Lyons, N&P chief executive, said it had not yet been decided whether, on completion of the deal, N&P mortgage holders should pay the rates paid by Abbey's existing borrowers.

Unless there are further rate cuts in the new year, Abbey's existing borrowers will be paying variable rates from 7.44 per cent to 7.54 per cent, with the lower rates available to those with larger loans. All of N&P's borrowers on the standard variable rate will be paying 7.54 per cent.

Abbey is also to press ahead with launching its own credit card in February, instead of waiting simply to adopt N&P's credit card in the summer. The Abbey card will have different terms and conditions from those available from N&P, and will not necessarily include all the N&P features. However, ex-N&P customers who lose their cards will be able to replace them with ones still carrying the extra features.

# ASH obtains more time to repay loans

By Geoff Dyer

Automated Security (Holdings), the heavily indebted electronic security systems company, has won further financial breathing space by extending the maturity on £85m of short-term loans.

The loans, due to expire in April 1996, have been extended to January 1998. In addition, the group has arranged with The Prudential Insurance Company of America that its $60.7m senior loan notes be treated on the same basis.

Mr Tony Dignum, chief executive, said: "These new arrangements give us two clear years to sort out our complicated balance sheet." Including the group's £45m convertible capital bonds, ASH had gearing approaching 500 per cent.

Analysts believe ASH has three options to bring the group greater financial stability. It could try to raise new equity, it could sell more assets, notably its operations in the US or it could encourage a bid for the whole company.

In November it sold the Modern Integrated Systems business, which provides maintenance for security systems, for £2.35m to Argus Alarms and in October Modern Vitalcall, which manufactures personal alarms, was bought by Tunstall Group for a net consideration of £1.8m.

In the UK, Modern Security Systems and Telecom Security are being integrated which Mr Dignum said would generate cost savings of over £1m.

# Yorkshire confirms Sir Gordon retirement

By Christopher Price

Yorkshire Water yesterday confirmed the retirement of chairman Sir Gordon Jones within the next six months, but denied it was a result of controversy surrounding the privatised water utility.

The company said his retirement had been signalled at the AGM in July. In February 1997 he will be 70, the age at which all Yorkshire directors must retire.

Yorkshire has received criticism from government ministers and consumer groups during the summer as the furore surrounding executive pay became embroiled with difficulties with water supplies during the drought.

The company said an agency had been appointed to search for a successor, but refused to comment further. Sir Gordon, who has been chairman since 1983 and earned £189,000 last year, is likely to step down at the next annual meeting.

Earlier this month, Yorkshire announced the appointment of Mr Kevin Bond, chief executive of the National Rivers Authority, as managing director of its main water operations business, in a move seen by some as an attempt to bolster its image.

# Kept hanging around, now up for sale

**Christopher Price explains why Ferguson has decided to sell its plastic coat hanger division**


That most unfashionable of wardrobe items, the coat hanger, is coming out of the closet.

After years in the shadows of the glamorous world of fashion, hangers were thrust into the limelight last month when Ferguson International, the diversified UK manufacturer, said it wanted to sell its plastic hanger division.

The company blamed "substantial changes" in the market for its decision to leave the business after 12 years.

These included large increases in the recycling and re-using of hangers, and the growing dominance of metal-framed hangers over their plastic counterparts.

Mr Ronald Irving, managing director of Ferguson, also blames a change in retailing patterns in the group's main markets of the UK, the Netherlands and Germany.

"People are shopping in larger retail formats and consequently hangers are being used more for transport than display."

He adds that the consequent decline in small clothes shops in those three markets had also reduced demand for the plastic hanger.

The market was stronger, however, in countries such as France and Italy, which still have large numbers of small fashion shops using a variety of plastic hangers for display.

"The small retailer is intent on differentiating products and wants that specialisation in his hanger," Mr Irving says. "Unfortunately, the number of small retailers in our main markets is declining." Rising raw material prices were also affecting margins.

Ferguson is the largest manufacturer in the UK and Dutch hanger markets, which are otherwise fragmented. Most manufacturers, of both the plastic and metal varieties, are involved in the business as a sideline.

Ferguson's hanger division, which has factories in the UK, the Netherlands and the US, saw operating profits fall 16 per cent to £1.8m on sales of £26.2m for the six months to August 31.

Last year, profits declined 10 per cent to £2.89m. Then, Mr Denis Cassidy, chairman, complained of being squeezed by the large retail chains, themselves under pressure from lacklustre consumer demand.

Retailers, while admitting to using more wire hangers, say that plastic ones still play an important role.

Mr David Bryant, joint managing director of Johnson Group Cleaners, says the dry cleaning group is changing from wire hangers to bright yellow plastic ones in a £6m revamp of its 650 outlets.

"We want to differentiate ourselves and believe hangers are one way to do it. They are our contact with our customers."

Johnson, which uses some 20m hangers a year, will attempt to offset the increased cost of plastic hangers – 8p each against 1½p for wire one – by encouraging customers to return them.

They will donate 5p to the NSPCC for every one handed back.

Plastic hangers are also in demand at Burberrys, the luxury goods store. A scented variety, retailing at £9.50, is its sixth largest-selling item (closely behind Burberrys check dog coat).

The company has sold "thousands and thousands" of the sweet-smelling hangers and said demand for the ordinary variety was also strong. "We do not see a trend away from plastic hangers at all, quite the reverse."

Such a positive verdict on the future of the industry will hearten Ferguson, which last week was able to report some interest from buyers for its coat hanger business, but still no sale.

## NEWS DIGEST

### Offer gives Hartons £6.3m tag

Schuttersveld, the European plastics distributor, is making a mandatory offer for Hartons Group following the result of its open offer.

The 8½p a share offer values the plastic products distributor at £6.3m.

The open offer followed a previous fund raising attempt which would have resulted in Schuttersveld holding between 51 and 71 per cent of Hartons. The plan was halted when Suter said it would vote its 31.3 per cent preference holding against the proposal.

However, as a result of the 8-for-19 non-underwritten open offer at 8½p Schuttersveld holds 53.1 per cent of the ordinary and 48.5 per cent of the voting shares.

### OIS rejects Abbot

The board of OIS International Inspection has rejected the offer by Abbot Group, describing the bid as "unacceptable", and has urged shareholders to take no action.

The board of OIS, advised by Beeson Gregory, believed the offer did "not reflect the potential of OIS and does not represent full value for OIS shareholders".

### Raglan buy-back

Raglan Properties is to convene an extraordinary general meeting in January to seek revised authority to purchase its own shares.

Friday's closing share price of 20p is at a near-50 per cent discount to the net asset value per share at September 30, 1995 of 35.3p. The directors said this "fundamentally undervalues" the company and did not reflect its financial position and prospects.

### Tribune Newspapers

Tribune Newspapers, the Dublin-based printer and publisher, reported increased losses of I£2.37m (£2.45m) pre-tax in the year to June 30, against I£1.56m.

The company, which is quoted on the Dublin exchange, said the record loss was the result of static advertising and lower circulation revenue. Substantial cost cutting was undertaken towards the end of the year and, although the figures had improved, profits were still "some time away".

Turnover was I£6.24m (I£6.54m). Losses per share were 82p (53.95p).

### Cairn Energy

Cairn Energy has placed 4.38m new ordinary shares at 111½p each, representing 5 per cent of its issued capital. Mr Bill Gammell, chief executive, said the proceeds would mainly be used for appraisal and development programmes in Bangladesh, China, the Netherlands, the US and the UK.

### Neilson Cobbold

Neilson Cobbold, the stockbroking and investment management company which joined the Aim on October 2, reported pre-tax profits of £884,749 for the year to September 30.

The outcome compared with profits of £1.69m in the previous 50 week period and came on turnover of £8.47m (£8.92m).

Earnings per share emerged at 20p, down from 40.7p restated for a subdivision.

### Headlam disposal

Headlam Group, the floorcoverings and fabric distribution company, has sold its Aquatex Functional Fabrics offshoot to Porvair, the microporous synthetic materials group, for £2.35m cash.

### Feedback slips

Feedback, the USM-traded electronic and electrical equipment group, nearly doubled pre-tax losses from £374,400 to £679,000 in the six months to September 30, as the costs of a shake-up took their toll.

Turnover was static at £4.12m, and losses per share increased from 3.87p to 6.41p. There is no dividend (0.5p).

The company said costs associated with initiatives to create interest in the product "have been a heavy burden".

# River Plate directors alter recommendation regarding Jupiter bid

By Roger Taylor

Independent directors of River Plate & General Investment Trust have changed their recommendations to shareholders regarding the bid from Jupiter Asset Management because they believe that Jupiter is likely to reduce the dividend on River Plate shares.

Jupiter, which manages River Plate, is bidding for the trust with shares in its new Jupiter Split Trust or a cash alternative.

Last week the bid went unconditional after Jupiter received acceptances from more than 60 per cent of shareholders.

River Plate is due to be wound up next October, but is expected to continue as a subsidiary of Jupiter Split until then.

The independent directors first advised holders of income and capital shares to reject the bid.

But in the light of the possible dividend cut, they have withdrawn that recommendation and advised shareholders to review the position.

Brokers were surprised at the announcement. SBC Warburg said: "We find it strange that the likelihood of a dividend cut was not signalled far more clearly in the offer document."

Jupiter said yesterday: "River Plate shareholders should expect changes to the trust's portfolio to fit in with Jupiter Split's requirements. This could mean that next year's dividend will be cut."

In their statement, the independent directors also said it was likely that Jupiter would "wish to consider replacing them".

## COMMODITIES PRICES

### HIGH GRADE COPPER (COMEX)

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Dec | 129.45 | -0.30 | 129.90 | 129.00 | 470 | 2,504 |
| Jan | 127.70 | -0.05 | 127.70 | 127.00 | 127 | 2,848 |
| Feb | 124.85 | -0.30 | 124.60 | 124.30 | 2 | 1,080 |
| Mar | 122.00 | -0.15 | 122.20 | 121.20 | 2,129 | 16,326 |
| Apr | 120.50 | +0.20 | 121.25 | 121.25 | 5 | 638 |
| May | 119.00 | +0.30 | 119.30 | 118.50 | 94 | 3,049 |
| Total | | | | | 2,912 | 35,092 |

### Precious Metals continued

**GOLD COMEX (100 Troy oz.; $/troy oz.)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Dec | 387.9 | +0.5 | 388.6 | 388.0 | 29 | 111 |
| Feb | 388.6 | +0.4 | 388.8 | 388.5 | 4,209 | 52,351 |
| Apr | 390.4 | +0.4 | 391.0 | 390.1 | 47 | 15,501 |
| Jun | 392.4 | +0.4 | 392.7 | 392.3 | 11 | 23,078 |
| Aug | 394.4 | +0.4 | - | - | 20 | 4,334 |
| Oct | 396.5 | +0.4 | - | - | 330 | 3,280 |
| Total | | | | | 4,336 | 141,898 |

**PLATINUM NYMEX (50 Troy oz.; $/troy oz.)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Jan | 408.7 | +1.8 | 408.6 | 406.9 | 633 | 5,188 |
| Apr | 409.2 | +1.3 | 409.5 | 407.5 | 729 | 11,059 |
| Jul | 410.7 | +1.2 | - | - | 5 | 2,309 |
| Oct | 412.2 | +1.0 | - | - | 10 | 1,051 |
| Jan | 413.8 | +1.0 | - | - | 1 | 26 |
| Total | | | | | 1,377 | 19,633 |

**PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Dec | 133.00 | +1.10 | 133.20 | 133.20 | 8 | 3 |
| Mar | 133.50 | - | 133.75 | 133.00 | 162 | 5,476 |
| Jun | 135.00 | - | - | - | 190 | 625 |
| Total | | | | | 170 | 6,107 |

**SILVER COMEX (5,000 Troy oz.; Cents/troy oz.)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Dec | 514.1 | +0.7 | 516.0 | 512.5 | 14 | 21 |
| Jan | 514.4 | +0.5 | 514.0 | 514.0 | 5 | 23 |
| Mar | 519.5 | +0.5 | 522.0 | 519.0 | 3,402 | 60,348 |
| May | 524.2 | +0.5 | 527.0 | 524.0 | 40 | 9,883 |
| Jul | 528.6 | +0.5 | 531.0 | 527.5 | 54 | 7,542 |
| Sep | 533.0 | +0.5 | 534.5 | 530.0 | 2 | 8,840 |
| Total | | | | | 3,523 | 96,227 |

### ENERGY

**CRUDE OIL NYMEX (42,000 US galls. $/barrel)**

| | Latest price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Jan | 19.12 | - | - | - | 32,951 | 10,932 |
| Feb | 18.97 | -0.02 | 19.03 | 18.90 | 48,101 | 94,868 |
| Mar | 18.61 | -0.04 | 18.65 | 18.57 | 13,397 | 43,177 |
| Apr | 18.33 | -0.07 | 18.45 | 18.27 | 6,289 | 24,531 |
| May | 18.11 | -0.08 | 18.24 | 18.08 | 2,653 | 15,088 |
| Jun | 17.93 | -0.08 | 18.05 | 17.88 | 3,403 | 30,846 |
| Total | | | | | 53,223 | 345,289 |

**HEATING OIL NYMEX (42,000 US galls.; c/US galls.)**

| | Latest price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Jan | 59.90 | +0.67 | 59.90 | 59.65 | 22,591 | 42,631 |
| Feb | 58.49 | +0.67 | 58.45 | 58.35 | 12,993 | 45,165 |
| Mar | 55.34 | +0.24 | 55.35 | 55.20 | 5,286 | 20,094 |
| Apr | 52.09 | -0.06 | 52.30 | 51.95 | 2,139 | 6,161 |
| May | 50.04 | -0.11 | 50.15 | 49.80 | 428 | 6,775 |
| Jun | 49.09 | -0.16 | 49.20 | 48.75 | 1,235 | 8,670 |
| Total | | | | | 45,598 | 132,324 |

**NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)**

| | Latest price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Jan | 3.071 | +0.203 | 3.069 | 3.036 | 52,384 | 28,262 |
| Feb | 2.544 | +0.150 | 2.628 | 2.590 | 13,579 | 38,010 |
| Mar | 2.282 | +0.087 | 2.325 | 2.260 | 10,279 | 22,485 |
| Apr | 2.052 | +0.037 | 2.052 | 2.050 | 6,130 | 14,534 |
| May | 1.877 | +0.017 | 1.880 | 1.875 | 2,563 | 12,844 |
| Jun | 1.802 | +0.002 | 1.830 | 1.780 | 1,587 | 9,149 |
| Total | | | | | 43,938 | 165,442 |

**UNLEADED GASOLINE NYMEX (42,000 US galls.; c/US galls.)**

| | Latest price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Jan | 57.75 | -1.51 | 57.60 | 57.35 | 11,120 | 18,778 |
| Feb | 56.32 | -0.67 | 56.25 | 56.00 | 6,302 | 24,733 |
| Mar | 55.46 | -0.08 | 55.30 | 55.30 | 2,168 | 11,480 |
| Apr | 57.46 | +0.12 | 57.65 | 57.30 | 432 | 5,792 |
| May | 57.00 | +0.21 | 57.15 | 56.70 | 115 | 5,182 |
| Jun | 56.25 | +0.21 | 56.15 | 56.00 | 213 | 2,544 |
| Total | | | | | 18,443 | 71,058 |

### GRAINS AND OIL SEEDS

**WHEAT CBT (5,000bu min; cents/60lb bushel)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Dec | 510.75 | -5 | 517.00 | 510.00 | 625 | 366 |
| Mar | 501.50 | -5.50 | 507.00 | 501.00 | 8,060 | 59,268 |
| May | 464.75 | -4.00 | 469.50 | 464.00 | 569 | 8,152 |
| Jul | 430.50 | -2.50 | 433.00 | 429.50 | 2,430 | 26,759 |
| Sep | 430.00 | -3.00 | 433.00 | 430.00 | 261 | 4,962 |
| Dec | 436.50 | -3.50 | 439.00 | 435.50 | 304 | 2,261 |
| Total | | | | | 11,139 | 96,847 |

**MAIZE CBT (5,000 bu min; cents/56lb bushel)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Dec | 343.25 | +1 | 344.50 | 339.75 | 4,181 | 875 |
| Mar | 354.50 | -0.25 | 356.25 | 353.75 | 37,722 | 298,034 |
| May | 358.75 | -1.00 | 359.00 | 356.50 | 12,905 | 67,151 |
| Jul | 353.25 | -1.75 | 356.50 | 352.50 | 11,250 | 68,575 |
| Sep | 305.25 | -2.00 | 308.00 | 305.00 | 1,554 | 14,401 |
| Dec | 291.75 | -3.25 | 295.00 | 291.25 | 5,091 | 34,929 |
| Total | | | | | 54,885 | 492,875 |

**SOYABEANS CBT (5,000bu min; cents/60lb bushel)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Jan | 732.25 | -8.50 | 740.75 | 731.50 | 11,799 | 49,617 |
| Mar | 742.25 | -8.25 | 750.75 | 741.50 | 34,170 | 78,076 |
| May | 745.50 | -8.75 | 753.75 | 745.00 | 3,085 | 18,983 |
| Jul | 745.50 | -8.00 | 754.00 | 745.00 | 4,864 | 23,958 |
| Aug | 739.50 | -8.00 | 747.00 | 739.50 | 341 | 1,897 |
| Sep | 715.50 | -2.75 | 719.25 | 715.50 | 131 | 2,047 |
| Total | | | | | 42,271 | 198,975 |

**SOYABEAN OIL CBT (60,000lbs; cents/lb)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Dec | 25.45 | +0.11 | 25.60 | 25.48 | 572 | 55 |
| Jan | 25.49 | -0.23 | 25.89 | 25.48 | 5,755 | 21,709 |
| Mar | 25.81 | -0.21 | 26.18 | 25.78 | 9,092 | 31,139 |
| May | 26.09 | -0.21 | 26.41 | 26.08 | 1,832 | 11,873 |
| Jul | 26.28 | -0.17 | 26.57 | 26.25 | 1,006 | 10,009 |
| Aug | 26.34 | -0.17 | 26.55 | 26.38 | 171 | 2,405 |
| Total | | | | | 10,328 | 89,767 |

**SOYABEAN MEAL CBT (100 tons; $/ton)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Dec | 232.4 | -0.1 | 235.0 | 229.8 | 845 | 202 |
| Jan | 233.2 | -1.5 | 234.5 | 231.7 | 6,255 | 25,732 |
| Mar | 236.0 | -2.5 | 238.3 | 235.4 | 8,385 | 52,983 |
| May | 235.4 | -2.6 | 237.5 | 235.1 | 1,416 | 12,474 |
| Jul | 234.7 | -2.2 | 237.0 | 234.3 | 930 | 12,948 |
| Aug | 231.5 | -2.5 | 234.0 | 230.5 | 92 | 1,870 |
| Total | | | | | 17,148 | 106,918 |

### SOFTS

**COCOA CSCE (10 tonnes; $/tonnes)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Mar | 1271 | -3 | 1282 | 1270 | 5,619 | 37,659 |
| May | 1293 | -6 | 1305 | 1293 | 1,938 | 16,166 |
| Jul | 1316 | -4 | 1324 | 1316 | 717 | 5,603 |
| Sep | 1338 | -5 | 1345 | 1338 | 416 | 9,545 |
| Dec | 1365 | -5 | 1368 | 1365 | 198 | 8,110 |
| Mar | 1392 | -3 | 1392 | 1392 | 2,017 | 4,795 |
| Total | | | | | N/A | N/A |

**COCOA (ICCO) (SDR's/tonne)**

| Dec 22 | Price | Prev. day |
|---|---|---|
| Daily | 912.75 | 917.89 |

**COFFEE 'C' CSCE (37,500lbs; cents/lbs)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Dec | 100.90 | -7.70 | 108.00 | 103.00 | 131 | 109 |
| Mar | 95.70 | -3.80 | 100.40 | 95.40 | 7,041 | 18,838 |
| May | 94.40 | -4.15 | 98.25 | 94.25 | 1,347 | 4,254 |
| Jul | 94.75 | -3.85 | 98.90 | 94.75 | 505 | 1,565 |
| Sep | 95.05 | -3.55 | 99.25 | 95.60 | 196 | 977 |
| Dec | 95.25 | -3.50 | 98.90 | 95.25 | 38 | 835 |
| Total | | | | | N/A | N/A |

**COFFEE (ICO) (US cents/pound)**

| Dec 22 | Price | Prev. day |
|---|---|---|
| Comp. daily | 94.16 | 94.36 |
| 15 day average | 101.15 | 102.01 |

**SUGAR '11' CSCE (112,000lbs; cents/lbs)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Mar | 11.50 | +0.12 | 11.54 | 11.30 | 5,128 | 82,304 |
| May | 11.09 | +0.08 | 11.13 | 10.91 | 1,502 | 24,673 |
| Jul | 10.48 | +0.01 | 10.51 | 10.37 | 616 | 16,753 |
| Oct | 10.18 | -0.03 | 10.18 | 10.09 | 207 | 18,762 |
| Mar | 9.85 | -0.06 | 9.87 | 9.80 | 20 | 11,014 |
| May | 9.74 | -0.06 | - | - | 2 | 1,466 |
| Total | | | | | N/A | N/A |

**COTTON NYCE (50,000lbs; cents/lbs)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Mar | 81.05 | +0.81 | 81.70 | 80.06 | 12,818 | 26,422 |
| May | 80.10 | -0.57 | 80.80 | 79.50 | 2,676 | 9,777 |
| Jul | 79.58 | -0.37 | 80.45 | 79.20 | 1,373 | 7,111 |
| Oct | 78.85 | - | 79.10 | 78.35 | 170 | 1,697 |
| Dec | 76.25 | -0.20 | 78.70 | 76.25 | 1,488 | 9,700 |
| Mar | 77.35 | -0.12 | 77.65 | 77.35 | 163 | 939 |
| Total | | | | | N/A | N/A |

### Softs continued

**ORANGE JUICE NYCE (15,000lbs; cents/lbs)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Jan | 119.30 | +3.00 | 119.70 | 116.20 | 1,257 | 8,704 |
| Mar | 123.25 | +3.45 | 123.50 | 119.75 | 1,133 | 8,671 |
| May | 125.50 | +3.00 | 125.90 | 122.50 | 68 | 1,606 |
| Jul | 127.75 | +2.85 | 128.50 | 125.10 | [illegible] | [illegible] |
| Sep | 130.00 | +2.65 | [illegible] | [illegible] | [illegible] | [illegible] |
| Nov | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Total | | | | | N/A | N/A |

### MEAT AND LIVESTOCK

**LIVE CATTLE CME (40,000lbs; cents/lbs)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Feb | 66.950 | -0.725 | 67.775 | 66.900 | 2,686 | 30,585 |
| Apr | 66.550 | -0.625 | 67.600 | 65.900 | [illegible] | [illegible] |
| Jun | 62.850 | -0.475 | 63.300 | 62.750 | [illegible] | [illegible] |
| Aug | 61.850 | -0.350 | 62.300 | 61.850 | [illegible] | [illegible] |
| Oct | 63.575 | -0.125 | 63.750 | 63.500 | [illegible] | [illegible] |
| Dec | 64.300 | -0.150 | 64.350 | 64.050 | [illegible] | [illegible] |
| Total | | | | | [illegible] | [illegible] |

**LIVE HOGS CME (40,000lbs; cents/lbs)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Feb | 49.300 | -0.050 | 49.675 | 50.100 | 1,573 | 15,810 |
| Apr | 46.825 | -0.050 | 46.800 | 46.600 | [illegible] | [illegible] |
| Jun | 55.000 | -0.100 | 55.150 | 54.800 | [illegible] | [illegible] |
| Jul | 54.400 | -0.175 | 54.625 | 54.250 | [illegible] | [illegible] |
| Aug | 52.925 | -0.025 | 52.950 | 52.700 | [illegible] | [illegible] |
| Oct | 47.400 | -0.050 | 47.900 | 47.300 | [illegible] | [illegible] |
| Total | | | | | [illegible] | [illegible] |

**PORK BELLIES CME (40,000lbs; cents/lbs)**

| | Sett price | Day's change | High | Low | Vol | Open int |
|---|---|---|---|---|---|---|
| Feb | 59.625 | -0.200 | 60.150 | 59.300 | 1,219 | 4,649 |
| Mar | 59.700 | -0.075 | 60.100 | 59.400 | [illegible] | [illegible] |
| May | 60.000 | -0.150 | 60.500 | 60.000 | [illegible] | [illegible] |
| Jul | 61.700 | -0.200 | [illegible] | [illegible] | [illegible] | [illegible] |
| Aug | 58.600 | +0.400 | [illegible] | [illegible] | [illegible] | [illegible] |
| Total | | | | | [illegible] | [illegible] |

FUTURES DATA
All futures data supplied by CMS.

COMPANIES AND FINANCE

# Japan's brokers look for new year rally

## Domestic investors are needed to keep up the momentum, writes Emiko Terazono

While the past four years have proven many of the omens embraced by Japanese brokers groundless, they still like to stick by them. One favourite is that a new year rally bodes well for the next 12 months.

However, although the Tokyo stock market has recovered by 37 per cent from a low in July, thanks to buying by overseas investors, and only needs to advance by just 0.5 per cent further before it hits 20,000, they are wary of predicting a further rise in Japanese shares.

Indeed, the Nikkei may need all the luck it can get next year. While overseas investors have been the driving force behind the Nikkei's rise over the past year, some pessimists argue that they may not repeat the aggressive buying.

Overseas investors bought a net Y2,718.2bn ($26.7bn) during the first 11 months of 1995 while domestic investors sold Y2,272.9bn.

"Overseas investors seem to be more optimistic. They are responding to the favourable news while domestic institutions remain inactive," says Mr Yuichi Kohashi at Daiwa Securities in Tokyo.

The question is whether the recent advance will be given further impetus by domestic institutions, or whether they will remain by-standers.

"There won't be a strong market recovery without participation by domestic investors," says Mr Kohashi.

The more benign macroeconomic environment which attracted so many foreign investors may tempt domestic institutions. The more favourable factors include low interest rates, a more stable yen and a recovery in corporate earnings.

Most Japanese economists expect the economic recovery to progress steadily during the financial year starting in April.

Corporate earnings are expected to rise for the third consecutive year, while the dollar, which hit a record-low Y79.5 in the summer, is expected to remain above Y100.

Long-term interest rates are also likely to stay at low levels due to the Bank of Japan's bond buying operations. And fears of a banking crisis, which hit banking stocks this year, are likely to wane due to the government's rescue package.

"We're looking for companies that will grow, not just those whose earnings will recover," says Mr Edwin Merner of Schroders Investment Management.

Mr Merner sees the Tokyo stock market rising by 10 to 15 per cent next year, helped by low interest rates, an earnings recovery and corporate restructuring.

Despite the favourable outlook, however, domestic investors have remained reluctant to invest in equities. Last year, domestic institutions, corporations and individual investors sold a net Y3,143.8bn of stocks. The need to restructure prompted financial institutions and companies to take profits on their stock-market holdings.

Meanwhile, a fall in unrealised profits on shareholdings, which acted as a buffer against investment losses, also affected the risk-taking predelictions of the country's largest investors – the banks and life insurance companies.

Japanese banks are expected to remain sellers during the first three months of the year, ahead of the March book closing – the end of the current business year. Many of the leading banks have pledged to write off their bad loans, and will need to support their earnings by realising profits on stocks.

Life insurance companies have also favoured bonds over equity investments due to the declines in premium income. They were heavy sellers of stocks during the six months to September as their operating profits slumped.

"We're going to bargain hunt, but we expect a heavy resistance at 21,500 on the Nikkei," says Dai-Ichi Mutual Life.

Whether Japanese institutions will return to equities in April, the start of the new financial year, will depend on how much they can repair their balance sheets.

It will also depend on how far foreigners drive Japanese share prices higher, since a rise in the stock market also props up their ability to take risks.

"They cannot continue to ignore the market if it rises. Japanese institutions tend to buy when the market's up and sell when the market's down," says Mr Merner.

**NET BUYING AND SELLING OF TOKYO STOCKS (Ybn)**

| | Foreign total | Domestic total |
|---|---|---|
| 1991 | 5,621.8 | -4,307.9 |
| 1992 | 841.1 | 342.9 |
| 1993 | 1,384.7 | 881.9 |
| 1994 | 3,985.2 | -3,143.8 |
| 1995* | 3,214.6 | -3,025.1 |

*Until December 21. Source: Tokyo Stock Exchange

# Canadian newsprint group offers C$1.1bn for rival

By Robert Gibbens in Montreal

Donohue, the Canadian forest products group controlled by print and publishing group Quebecor International, is to form North America's third-largest newsprint producer by taking over Quno for C$1.1bn (US$808m) or C$30.50 a share.

Tribune Company, the US media group which holds a 53 per cent stake in Quno, has accepted the Donohue offer – comprising C$20.31 a share, C$5.26 in notes and 0.29 of a Donohue share.

Rising newsprint prices in recent months have highlighted Canada's fragmented pulp and paper industry. In newsprint the new group would fall behind Stone Consolidated, which recently merged with Rainy River Forest Products, but just surpass Abitibi-Price.

It would have annual newsprint capacity in Ontario, Quebec and British Columbia totalling 1.5m tonnes and will be eastern Canada's biggest construction timber producer.

Tribune put its stake in Quno on the market in September, in order to focus on media and entertainment. It had twice reduced its interest in the past two years. After the deal's close, Tribune will own about 6 per cent of Donohue.

A four-year C$250m programme at Quno's Quebec newsprint mill would raise capacity and diversify production. The new company will be able to supply recycled content newsprint up to 75 per cent.

Donohue's programme to install a coated paper machine at its Quebec BCTMP mill will be shelved for the time being, said Mr Michel Desbiens, president of Donohue.

For the first nine months of 1995 the two companies had total revenues of C$1.42bn against C$989m a year earlier and net profit of C$281m against C$62m.

"In 1996 we can provide shareholders of the combined company with a better return than 1995," said Donohue's Mr Desbiens.

"We are both low-cost newsprint producers and the fit is ideal. There will be some rationalisation, but we see the world newsprint market firm for the next two or three years," he added.

Analysts say Avenor, another big Canadian forest products firm, was interested in Quno, a pioneer in recycled newsprint.

The Donohue bid offers a premium of C$1.75 a share over Quno's market price last Friday.

# Burmeister rescue plan agreed

By Hilary Barnes in Copenhagen

A Christmas rescue for Copenhagen's Burmeister & Wain Shipyard was agreed between Danish and American creditors, but before it can be realised there will be a scramble to sell several thousand "partnership" investments in three or four bulk carriers to Danish investors before midnight on December 31.

The yard went into receivership last June. After repeated failures to agree on a financial reconstruction, in November B&W announced that the yard would be closed in March, after completion of a final vessel.

However, an eleventh-hour reprieve appears to be in prospect for the 900 remaining workers and staff at the yard, which has a history going back more than 150 years.

According to the latest plan, a new company will take over the shipyard, backed by an investor consortium, which will put up DKr100m ($18m).

Creditors in the existing company, including American insurance companies holding the company's bonds, have agreed to invest the "dividend" from the bankrupt company as equity in the new operation, which will thus have about DKr300m in cash with which to start up. It will also have one other substantial asset, the site of the yard itself.

The final realisation of the rescue, however, depends on selling the "partnership" investments in three or four bulk carriers before New Year's Day.

Partnership investments carry an attractive write-off against income tax and are a popular means of modifying tax liabilities.

However, the government has already passed legislation which will put an end to partnership investment schemes with effect from January 1, thus giving the yard only days to ensure the orders on which its survival depends.

# Air force chief to be chairman of Thai Airways

By William Barnes in Bangkok

Thai International Airways suffered a setback in its struggle to repair the damage of past military interference and develop a professional management yesterday, after the appointment of air force chief Siripong Thongyai as chairman.

The appointment, apparently the best that could be achieved given continuing political and military involvement in the airline, is likely to delay the restructuring that senior management has admitted is necessary.

Thai's brief flowering as an aviation leader in the 1980s Thai tourist boom tempted the then military dominated airline into hiring a bizarre mix of engines and aircraft and a bloated and fractured management. The airline recently fell sharply in customer satisfaction rankings in *Business Traveller* magazine.

One analyst who watches Thai for Baring Securities in Bangkok was "neutral. There's no way Thai is going to catch Cathay Pacific or SIA, in terms of competition, any time soon – so perhaps someone who can keep the peace within the airline isn't a bad thing."

A powerful lobby of air force personnel and politicians appear to have blocked a move to appoint as chairman the senior finance ministry civil servant, on the grounds that the ministry owns 93 per cent of the equity.

Such a technocrat, it was hoped, could have prepared Thai for fully-fledged privatisation with a second tranche of shares being sold to the public. However, such a sale is unlikely while the share price remains about Bt15 below the March 1992 IPO price of Bt60.

Luc Perron, who follows Thai for HG Asia in Bangkok, said: "This is not a progressive move – it just maintains the status quo. Thai must eventually get an aviation professional or a professional manager at the helm."

Siripong was acting chairman after Mr Amaret Sila-on, a civilian, stepped down in July following a change of government which took away his political backers.

# GE Capital in further acquisition from Aon

By Tony Jackson in New York

GE Capital, the financial services subsidiary of General Electric, is to pay $960m for Life Insurance Company of Virginia, part of the Chicago-based insurance group Aon Corporation.

The deal is part of an aggressive acquisition programme by GE Capital and continues a consolidation trend within the US insurance industry.

This is GE Capital's second deal with Aon in six weeks. In November it said it would pay more than $400m for Aon's Union Fidelity life and health operation. Aon had put the two domestic businesses up for sale in September, saying it wanted to concentrate on worldwide insurance brokerage and other services.

GE Capital's investment and insurance operations in the US are brought together in its GNA Corp subsidiary. GNA's main emphasis to date has been on selling mutual funds and annuities.

Mr Patrick Welch, chief executive officer of GNA, said the acquisition was of key importance to the strategy of strengthening GNA's life insurance business.

The latest deal would add $9bn to GNA's assets, raising the total to $30bn, GE said. Regulatory approvals should be finalised within the first half of 1996.

# US bonds edge higher

The 30-year US Treasury bond was up ¼ to 111⅝ by noon yesterday, to yield 6.04 per cent, while the two-year bond was up $\frac{1}{32}$ to 99$\frac{31}{32}$, yielding 5.25 per cent. Trading was very light as the market awaited budget developments in Washington, writes Tony Jackson.

Little progress in resolving the budget impasse is expected until President Clinton meets Republican leaders later this week. In addition, no government statistics are expected this week because of the government shutdown.

The Bureau of Labour confirmed yesterday that publication of December data for the CPI and PPI would be delayed for at least a week and possibly longer.

# Belleli creditors clear way for restructuring

By Andrew Hill in Milan

Creditors of Belleli, the family-owned Italian engineering contractor, have cleared the way for the restructuring of the Mantua-based group, which ran into financial trouble earlier this year.

The creditors, including banks and suppliers, agreed that Belleli could be put under "controlled administration" and set up a creditors' committee to help the court-appointed administrator.

Belleli is well-known internationally for its work on heavy engineering contracts, such as the construction of power stations and deep-sea oil platforms.

Delays in payment on certain government contracts precipitated a financial crisis over the summer, and banks insisted on removing the Belleli family from management of the company.

Mr Renato Cassaro, a former senior manager with the Iri state holding company, joined as chief executive last month.

● A decision on the sale of the Italian state's 84 per cent stake in Dalmine, the special steels group, is expected shortly, after a false alarm yesterday when the group's shares were suspended, prompting speculation about an imminent announcement. Dalmine is the last part of the old Ilva state steel group to be sold.

**CROSS BORDER M&A DEALS**

| BIDDER/INVESTOR | TARGET | SECTOR | VALUE | COMMENT |
|---|---|---|---|---|
| Fleet Financial (US) | Unit of NatWest (UK) | Banking | £2.3bn | NatWest releases $1bn capital |
| Warner Lambert (US) | Warner Wellcome (UK/US) | Pharmaceuticals | £682m | Glaxo sells OTC stake |
| Ameritech (US)/Deutsche Telekom (Germany) | Matav (Hungary) | Telecoms | £536m | Raising stake to 67% |
| Royal Bank of Scotland (UK)/Bank of Ireland (Ireland) | Merger | Banking | £282m | Merging US assets |
| Dresdner Bank (Germany) | RCM (US) | Financial services | £195m | Building up asset management |
| Sodexho (France) | Partena (Sweden) | Contract services | £147m | Extends Nordic coverage |
| Investor Consortium (US) | Unit of Forte (UK) | Hotels | £114m | Forte continues disposals |
| SmithKline Beecham (UK/US) | Abtel Pharma Vertreibs (Germany) | Pharmaceuticals | £91m | Boosts German OTC presence |
| Coeur d'Alene (US) | Gasgoyne Gold | Mining | £65m | Agreed offer |
| Persona (UK) | Financiere Top Log (France) | Distribution | £20m | Persona doubles size |

## FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Friday, December 22, 1995. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

| | | £ STG | US $ | D-MARK | YEN (X 100) |
|---|---|---|---|---|---|
| Afghanistan | (Afghani) | 7922.12 | 4750.00 | 3296.15 | 4694.15 |
| Albania | (Lek) | 144.670 | 93.8500 | 66.1646 | 91.5810 |
| Algeria | (Dinar) | 80.1626 | 52.0030 | 36.1062 | 50.7346 |
| Andorra | (French Fr) | 7.8169 | 4.9412 | 3.4309 | 4.8207 |
| | (Sp Peseta) | 188.001 | 121.960 | 84.6827 | 118.965 |
| [illegible] | | | | | |
| Ethiopia | (Ethiopian Birr) | 8.9407 | 5.8000 | 4.0272 | 5.6585 |
| Falkland Is | (Falk £) | 1 | 0.6487 | 0.4504 | 0.6329 |
| Faroe Is | (Danish Krone) | 8.6016 | 5.5800 | 3.8745 | 5.4439 |
| Fiji Is | (Fiji $) | 2.2022 | 1.4286 | 0.9919 | 1.3937 |
| Finland | (Markka) | 6.7172 | 4.3576 | 3.0257 | 4.2513 |
| France | (Fr) | 7.6169 | 4.9412 | 3.4309 | 4.8207 |
| Fr. Cty/Africa | (CFA Fr) | 761.690 | 494.120 | 343.091 | 482.068 |
| Fr. Guiana | (Local Fr) | 7.6169 | 4.9412 | 3.4309 | 4.8207 |
| Fr. Pacific Is | (CFP Fr) | 138.570 | 89.9591 | 62.4622 | 87.7640 |
| Gabon | (CFA Fr) | 761.690 | 494.120 | 343.091 | 482.068 |
| Gambia | (Dalasi) | 15.1976 | 9.8626 | 6.8411 | 9.6122 |
| Germany | (D-Mark) | 2.2200 | 1.4402 | 1 | 1.4051 |
| Ghana | (Cedi) | 2212.05 | 1435.00 | 996.389 | 1400.00 |
| Gibraltar | (Gib £) | 1 | 0.6487 | 0.4504 | 0.6329 |

| | | £ STG | US $ | D-MARK | YEN (X 100) |
|---|---|---|---|---|---|
| Greece | (Drachma) | 367.039 | 238.105 | 165.329 | 232.296 |
| Greenland | (Danish Krone) | 8.6016 | 5.5800 | 3.8745 | 5.4439 |
| Grenada | (E Carr $) | 4.1621 | 2.7000 | 1.8747 | 2.6342 |
| Guadeloupe | (Local Fr) | 7.6169 | 4.9412 | 3.4309 | 4.8207 |
| Guam | (US $) | 1.5415 | 1 | 0.6943 | 0.9756 |
| [illegible] | | | | | |
| Mozambique | (Metical) | 15260.8 | 9900.00 | 6874.05 | 9658.54 |
| Namibia | (S A Rand) | 5.6442 | 3.6615 | 2.5424 | 3.5722 |
| Nauru Is | (Australian $) | 2.0660 | 1.3512 | 0.9382 | 1.3182 |
| Nepal | (Nepalese Rupee) | 86.9384 | 54.2500 | 37.6684 | 52.9269 |
| Netherlands | (Guilder) | 2.4862 | 1.6122 | 1.1194 | 1.5729 |
| N'nd Antilles | (A/Guilder) | 2.7593 | 1.7900 | 1.2429 | 1.7464 |
| New Zealand | (NZ $) | 2.3668 | 1.5354 | 1.0661 | 1.4979 |
| Nicaragua | (Gold Cordoba) | 12.2401 | 7.9404 | 5.5134 | 7.7467 |
| Niger Rep | (CFA Fr) | 761.690 | 494.120 | 343.091 | 482.068 |
| Nigeria | (Naira) | 33.9130o | 22.0000 | 15.2757 | 21.4634 |
| | (Naira) | 132.261m | 85.8000 | 59.5751 | 83.7073 |
| Norway | (Nor. Krone) | 9.7648 | 6.3541 | 4.4120 | 6.1991 |
| Oman | (Rial Omani) | 0.5935 | 0.3850 | 0.2673 | 0.3756 |

| | | £ STG | US $ | D-MARK | YEN (X 100) |
|---|---|---|---|---|---|
| Pakistan | (Pak. Rupee) | 52.7437 | 34.2158 | 23.7577 | 33.3813 |
| Panama | (Balboa) | 1.5415 | 1 | 0.6943 | 0.9756 |
| Papua New Guinea | (Kina) | 2.0591 | 1.3351 | 0.9270 | 1.3025 |
| Paraguay | (Guarani) | 3025.19 | 1962.50 | 1362.66 | 1914.69 |
| Peru | (New Sol) | 3.5447 | 2.2995 | 1.5967 | 2.2434 |
| [illegible] | | | | | |
| Vatican | (Lira) | 2448.06 | 1588.10 | 1102.69 | 1549.37 |
| Venezuela | (Bolivar) (1) | 445.457o | 289.625 | 201.101 | 282.561 |
| Venezuela | (Bolivar) (1) | 508.412m | 329.816 | 229.007 | 321.772 |
| Vietnam | (Dong) | 16973.5 | 11011.0 | 7645.47 | 10742.4 |
| Virgin Is-British | (US $) | 1.5415 | 1 | 0.6943 | 0.9756 |
| Virgin Is-US | (US $) | 1.5415 | 1 | 0.6943 | 0.9756 |
| Western Samoa | (Tala) | 3.9435 | 2.5582 | 1.7763 | 2.4958 |
| Yemen (Rep of) | (Rial) | 77.0750o | 50.0000 | 34.7174 | 48.7805 |
| Yemen (Rep of) | (Rial) | 215.810r | 140.000 | 97.2087 | 136.585 |
| Yugoslavia | (New Dinar) | 7.3376(2) | 4.7600 | 3.3051 | 4.6439 |
| Zaire Rep | (Zaire) | 16376.9 | 10624.0 | 7376.76 | 10364.9 |
| Zambia | (Kwacha) | 1472.25 | 955.075 | 663.154 | 931.781 |
| Zimbabwe | ($) | 14.3521 | 9.3105 | 6.4647 | 9.0834 |

Special Drawing Rights December 21, 1995 Utd Kingdom £0.965566 Utd States $1.48538 Germany DM2.13832 Japan Y151.258 European Currency Unit Rates December 22, 1995 Utd Kingdom £0.847089 Utd States $1.30449 Germany DM1.88303 Japan Y133.905

Abbreviations: (o) Free rate; (m) Market rate; (o) Official rate; (r) Parallel rate (t) Tourist rate (u) Currency fixed against the US Dollar (v) Floating rate (1) Venezuelan Official rate devalued on 11/12/95. Market rate derived from Brady bond trading. (2) Yugoslavian Dinar devalued on 28/11/95; Some data derived from THE WM/REUTERS CLOSING SPOT RATES & Bank of America, Economics Department, London Trading Centre. Enquiries: 0171 634 4365.

Xmas & New Year publication dates. Dec 22nd rates will appear on Sat 23rd & Weds 27th Dec. Dec 29th rates will appear on Sat Dec 30th & Tues Jan 2nd.

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Friday, December 22, 1995

# WORLD STOCK MARKETS

## EUROPE

AUSTRIA (Dec 22 / Sch)

[illegible]

BELGIUM/LUXEMBOURG (Dec 22 / Frs.)

[illegible]

CZECH REP (Dec 15 / Korune)

[illegible]

DENMARK (Dec 22 / Kr)

[illegible]

FINLAND (Dec 22 / Mks)

[illegible]

FRANCE (Dec 26 / Frs.)

[illegible]

GERMANY (Dec 22 / Dm.)

[illegible]

GREECE (Dec 22 / Drachma)

[illegible]

ITALY (Dec 22 / Lire)

[illegible]

NETHERLANDS (Dec 22 / Fls.)

[illegible]

NORWAY (Dec 22 / Kroner)

[illegible]

POLAND (Dec 22 / Zloty)

[illegible]

PORTUGAL (Dec 22 / Escudo)

[illegible]

SPAIN (Dec 26 / Pts.)

[illegible]

SWEDEN (Dec 22 / Kronor)

[illegible]

SWITZERLAND (Dec 22 / Frs.)

[illegible]

TURKEY (Dec 26 / TL Lira)

[illegible]



## PACIFIC

JAPAN (Dec 26 / Yen)

[illegible]

HONG KONG (Dec 22 / H.K.$)

[illegible]

INDONESIA (Dec 26 / Rupiah)

[illegible]

MALAYSIA (Dec 26 / MYR)

[illegible]

NEW ZEALAND (Dec 22 / NZ $)

[illegible]

SINGAPORE (Dec 26 / S$)

[illegible]

AUSTRALIA (Dec 22 / Aust$)

[illegible]

SOUTH KOREA (Dec 26 / Won)

[illegible]

TAIWAN (Dec 26 / TW $)

[illegible]

THAILAND (Dec 26 / Baht)

[illegible]

## AFRICA

SOUTH AFRICA (Dec 22 / Rand)

[illegible]

MONTREAL (Dec 22 / Can $)
4 pm close

[illegible]

## INDICES

| | | Dec 26 | Dec 22 | Dec 21 | 1995 High | | 1995 Low | |
|---|---|---|---|---|---|---|---|---|
| **Argentina** | | | | | | | | |
| General(29/12/77) | (u) | 16328.78 | 16274.21 | 16531.18 | | 2/1 | 9831.88 | 9/3 |
| **Australia** | | | | | | | | |
| All Ordinaries(1/1/80) | (c) | | 2206.8 | 2203.8 | 2225.60 | 13/12 | 1823.30 | 8/2 |
| All Mining(1/1/80) | (c) | | 1008.8 | 1003.8 | 1029.50 | 7/8 | 785.30 | 8/2 |
| **Austria** | | | | | | | | |
| Credit Aktien(30/12/84) | (c) | | 342.59† | 342.59 | 395.42 | 2/1 | 328.50 | 27/10 |
| Traded Index(2/1/91) | (c) | | 949.70 | 947.89 | 1058.31 | 2/1 | 882.15 | 23/10 |
| **Belgium** | | | | | | | | |
| BEL20(1/1/91) | (c) | | 1550.78 | 1547.43 | 1557.44 | 13/12 | 1271.58 | 9/3 |
| **Brazil** | | | | | | | | |
| Bovespa(29/12/83) | (c) | | 43432.0 | 42520.0 | 48812.00 | 19/9 | 21382.00 | 9/3 |
| **Canada** | | | | | | | | |
| Metals Minls♦(1975) | (c) | | 4970.31 | 4978.02 | 5288.37 | 23/11 | 3806.63 | 1/3 |
| Composite♦(1975) | (c) | | 4710.70 | 4700.00 | 4745.19 | 6/12 | 3991.41 | 30/1 |
| Portfolio§§(4/1/83) | (c) | | 2325.47 | 2319.70 | 2342.77 | 11/12 | 1993.36 | 30/1 |
| **Chile** | | | | | | | | |
| IGPA Genl▼(31/12/80) | (u) | | 5800.95 | 5785.97 | 6363.10 | 11/7 | 4578.90 | 9/3 |
| **Denmark** | | | | | | | | |
| CopenhagenSE(3/1/83) | (c) | | 361.76 | 361.59 | 375.44 | 25/8 | 330.01 | 29/3 |
| **Finland** | | | | | | | | |
| HEX General(28/12/90) | (c) | | 1716.16 | 1673.82 | 2332.22 | 14/9 | 1555.30 | 29/3 |
| **France** | | | | | | | | |
| SBF 250(31/12/90) | | 1225.05 | 1226.56 | 1204.70 | 1322.30 | 12/5 | 1154.41 | 13/3 |
| CAC 40(31/12/87) | | 1866.67 | 1873.37 | 1834.38 | 2017.27 | 12/5 | 1721.14 | 23/10 |
| **Germany** | | | | | | | | |
| FAZ Aktien(31/12/58) | (c) | | 817.33 | 812.44 | 848.76 | 19/9 | 708.87 | 30/3 |
| Commerzbank(1/12/53) | (c) | | 2366.60 | 2351.60 | 2427.60 | 19/9 | 2018.70 | 30/3 |
| DAX‡(30/12/87) | (c) | | 2280.43 | 2265.07 | 2317.01 | 15/9 | 1910.96 | 28/3 |
| **Greece** | | | | | | | | |
| Athens SE(31/12/80) | (c) | | 898.47 | 896.31 | 982.59 | 4/8 | 787.15 | 18/3 |
| **Hong Kong** | | | | | | | | |
| Hang Seng(31/7/64) | (c) | | 9932.20 | 9907.51 | 10032.93 | 17/10 | 6967.93 | 23/1 |
| **India** | | | | | | | | |
| BSE Sens.(1979) | (c) | | 3110.49 | 3105.20 | 3632.09 | 2/1 | 2822.16 | 29/11 |
| **Indonesia** | | | | | | | | |
| Jakarta Comp.(10/8/82) | | 515.65 | 512.79 | 504.98 | 519.18 | 11/8 | 414.21 | 19/4 |
| **Ireland** | | | | | | | | |
| ISEQ Overall(4/1/88) | (c) | | 2213.56 | 2209.76 | 2260.71 | 7/12 | 1813.58 | 23/1 |
| **Italy** | | | | | | | | |
| Banca Comm Ital(1972) | (c) | | 583.38 | 576.67 | 688.54 | 10/2 | 547.79 | 5/12 |
| MIB Generale(2/1/95) | (c) | | 921.0 | 910.0 | 1078.00 | 10/2 | 869.00 | 5/12 |
| **Japan** | | | | | | | | |
| Nikkei 225(16/5/49) | | 19804.72 | 19744.42 | 19653.25 | 19804.72 | 26/12 | 14485.41 | 3/7 |
| Nikkei 300(1/10/82) | | 296.46 | 295.69 | 294.0 | 296.46 | 26/12 | 222.26 | 13/6 |
| Topix(4/1/68) | | 1577.28 | 1568.72 | 1560.45 | 1577.28 | 26/12 | 1193.16 | 13/6 |
| 2nd Section(4/1/68) | | 2029.46 | 2009.99 | 2001.05 | 2130.68 | 4/1 | 1441.80 | 13/6 |
| **Malaysia** | | | | | | | | |
| KLSE Comp.(4/4/86) | | 984.53 | 991.54 | 1000.66 | 1085.04 | 5/6 | 840.87 | 24/1 |
| **Mexico** | | | | | | | | |
| IPC(Nov 1978) | (u) | | 2836.67 | 2834.39 | 2834.39 | 21/12 | 1447.52 | 27/2 |
| **Netherland** | | | | | | | | |
| CBS TtlRtnGen(End 83) | (c) | | 536.6 | 525.1 | 526.60 | 22/12 | 422.90 | 23/3 |
| CBS All Shr(End 83) | (c) | | 318.9 | 318.0 | 318.90 | 22/12 | 265.20 | 23/3 |
| **New Zealand** | | | | | | | | |
| Cap. 40(1/7/86) | (c) | | 2130.61 | 2113.72 | 2206.02 | 20/10 | 1901.43 | 5/1 |
| **Norway** | | | | | | | | |
| Oslo SE(Ind)(2/1/83) | (c) | | 1238.20 | 1228.37 | 1292.16 | 18/10 | 1036.00 | 10/3 |
| **Philippines** | | | | | | | | |
| Manila Comp(2/1/85) | | 2565.53 | 2560.65 | 2561.77 | 2958.12 | 10/7 | 2198.48 | 20/11 |
| **Portugal** | | | | | | | | |
| BTA(1977) | (c) | | 2487.9 | 2497.4 | 2911.60 | 9/1 | 2412.90 | 22/11 |
| **Singapore** | | | | | | | | |
| SES All-S'pore(2/4/75) | | 556.10 | 558.94 | 552.88 | 558.94 | 22/12 | 472.90 | 23/1 |
| **South Africa** | | | | | | | | |
| JSE Gold(28/9/78) | (c) | | 1357.9 | 1361.4 | 2023.00 | 2/1 | 1250.20 | 30/10 |
| JSE Ind.(28/9/78) | (c) | | 7991.1 | 7977.7 | 7991.10 | 22/12 | 6222.00 | 31/1 |
| **South Korea** | | | | | | | | |
| KoreaCmpEx**(4/1/80) | | 876.37 | 894.67 | 899.86 | 1027.37 | 2/1 | 847.09 | 27/5 |
| **Spain** | | | | | | | | |
| Madrid SE(30/12/85) | | 318.64 | 319.90 | 319.13 | 319.90 | 22/12 | 264.06 | 23/3 |
| **Sweden** | | | | | | | | |
| AffarsvardnGen(1/2/37) | (c) | | 1708.8 | 1683.4 | 1872.10 | 19/9 | 1438.80 | 29/3 |
| **Switzerland** | | | | | | | | |
| Swiss Bk Ind(31/12/58) | (c) | | 1514.86 | 1505.84 | 1515.89 | 15/12 | 1174.63 | 13/3 |
| SBC General(1/4/87) | (c) | | 1125.33 | 1117.36 | 1128.76 | 15/12 | 870.58 | 13/3 |
| **Taiwan** | | | | | | | | |
| WeightedPr.**(30/6/66) | | 5105.37 | 5091.94 | 5093.85 | 7051.49 | 5/1 | 4503.37 | 14/8 |
| **Thailand** | | | | | | | | |
| Bangkok SET(30/4/75) | | 1278.94 | 1233.30 | 1273.39 | 1472.04 | 10/7 | 1135.89 | 16/3 |
| **Turkey** | | | | | | | | |
| Istanbul Cmp.(Jan 1986) | | 41584.9 | 42236.2 | 41335.1 | 54853.90 | 21/4 | 24644.31 | 23/1 |
| **WORLD** | | | | | | | | |
| MS Capital Intl(1/1/70) | | 732.1* | 729.4 | 726.6 | 729.80 | 22/12 | 596.21 | 23/1 |
| **CROSS-BORDER** | | | | | | | | |
| Eurotrack 100(26/10/90) | (c) | | 1479.19 | 1465.57 | 1480.69 | 15/9 | 1222.41 | 13/3 |
| Euro Top-100(26/6/90) | | 1337.54 | 1336.54 | 1322.23 | 1337.54 | 26/12 | 1117.34 | 9/3 |
| JCapelDrgns(31/12/88) | (u) | | (u) | 339.17 | 349.47 | 14/7 | 282.07 | 23/1 |
| ING Bmgs Emrg(7/1/92) | (u) | | 148.03 | 146.90 | 158.87 | 2/1 | 177.15 | 10/3 |

## INDEX FUTURES

| | Open | Sett Price | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| **■ CAC-40 (200 x Index)** | | | | | | | |
| Dec | 1870.0 | 1867.0 | -7.0 | 1871.0 | 1859.0 | 4,197 | 20,552 |
| Jan | 1879.5 | 1874.5 | -7.0 | 1879.5 | 1866.0 | 1,160 | 18,360 |
| **■ DAX** | | | | | | | |
| Mar | 2294.0 | 2298.0 | +10.0 | 2301.5 | 2292.0 | 5,064 | 65,840 |
| Jun | 2310.0 | 2311.0 | +9.5 | 2313.0 | 2310.0 | 10 | 18,522 |
| **■ OMX** | | | | | | | |
| Dec | 1329.00 | 1335.50 | -16.50 | 1336.50 | 1329.00 | 1,645 | 6,036 |
| Jan | 1344.00 | 1354.00 | -24.00 | 1354.00 | 1340.00 | 4,685 | 15,625 |
| **■ SOFFEX** | | | | | | | |
| Jan | 3271.0 | 3280.0 | +18.5 | 3285.0 | 3271.0 | 2,331 | 11,637 |
| Feb | 3284.0 | 3284.6 | +33.0 | 3284.0 | 3284.0 | 36 | 977 |

** Sat Dec 23: Taiwan Weighted Price 5163.28 ; Korea Comp Ex 893.11 Base values of all indices are 100 except Australia All Ordinary and Mining – 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall, Toronto Comp./Metals & Minerals and DAX – all 1,000; JSE Gold – 255.7; JSE 26 Industrials – 264.3, NYSE All Common – 50 and Standard and Poor's – 10. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours index. Dec 22 – 2280.81.

† Correction. * Calculated at 15.00 GMT ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. Indices for 25/12/95 : JAPAN - Nikkei 225 19,755.40, Nikkei 300 296.23, Topix 1573.81, 2nd Section 2022.86. THAILAND - Bangkok SET 1281.87.TURKEY - Istanbul Cmp 39,482.41. ▼ Subject to official recalculation.

## US INDICES

| Dow Jones | Dec 22 | Dec 21 | Dec 20 | 1995 High | 1995 Low | Since compilation High | Since compilation Low |
|---|---|---|---|---|---|---|---|
| Industrials | 5097.97 | 5096.53 | 5059.32 | 5216.47 (13/12) | 3832.08 (30/1) | 5216.47 (13/12/95) | 41.22 (2/7/32) |
| Home Bonds | 105.02 | 104.93 | 104.86 | 105.34 (11/12) | 93.63 (3/1) | 108.77 (18/10/93) | 54.99 (1/10/81) |
| Transport | 1954.93 | 1960.67 | 2008.38 | 2092.11 (5/12) | 1473.19 (3/1) | 2092.11 (5/12/95) | 12.32 (8/7/32) |
| Utilities | 223.45 | 223.38 | 221.77 | 223.45 (22/12) | 183.03 (3/1) | 256.46 (31/8/93) | 10.50 (8/4/32) |

DJ Ind. Day's high 5146.74 (5135.91 ) Low 5064.01 (5031.50 ) (Theoretical●)
Day's high 5126.87 (5099.06 ) Low 5083.28 (5057.51 ) (Actual●)

| Standard and Poors | Dec 22 | Dec 21 | Dec 20 | 1995 High | 1995 Low | Since compilation High | Since compilation Low |
|---|---|---|---|---|---|---|---|
| Composite‡ | 611.96 | 610.49 | 605.94 | 621.69 (13/12) | 459.11 (3/1) | 621.69 (13/12/95) | 4.40 (1/6/32) |
| Industrials▼ | 718.44 | 716.41 | 709.50 | 731.65 (13/12) | 546.28 (3/1) | 731.65 (13/12/95) | 3.62 (21/6/82) |
| Financial | 61.20 | 60.99 | 60.96 | 63.68 (6/12) | 41.64 (3/1) | 63.68 (6/12/95) | 8.64 (1/10/74) |
| NYSE Comp | 326.35 | 325.61 | 323.61 | 331.17 (13/12) | 250.73 (3/1) | 331.17 (13/12/95) | 4.46 (25/4/42) |
| Amex Mkt Val | 541.55 | 537.49 | 534.50 | 553.58 (12/9) | 433.12 (6/1) | 553.58 (12/9/95) | 29.31 (9/12/72) |
| NASDAQ Comp | 1046.89 | 1040.64 | 1025.27 | 1069.79 (4/12) | 743.58 (3/1) | 1069.79 (4/12/95) | 54.87 (31/10/72) |

### ■ RATIOS

| | Dec 15 | Dec 8 | Dec 1 | Year ago |
|---|---|---|---|---|
| Dow Jones Ind Div. Yield | 2.27 | 2.27 | 2.30 | 2.80 |
| | Dec 20 | Dec 13 | Dec 6 | Year ago |
| S & P Ind. Div yield | 2.02 | 1.95 | 1.95 | 2.47 |
| S & P Ind. P/E ratio | 18.49 | 19.06 | 18.98 | 18.40 |

### ■ NEW YORK ACTIVE STOCKS

| Friday | Stocks traded | Close price | Change on day |
|---|---|---|---|
| Silicon Grphs | 5,156,700 | 29¼ | -¾ |
| Kmart | 4,778,700 | 7¼ | -⅜ |
| Coca Cola | 3,574,900 | 71¾ | -1 |
| Micron | 3,473,000 | 43¼ | +½ |
| Motorola | 3,037,200 | 57⅛ | +⅛ |
| Telefonos | 2,713,500 | 33⅛ | -½ |
| Cyrena Semi | 2,595,000 | 13⅛ | +1⅛ |
| WalMart | 2,409,600 | 23 | ⅛¼ |
| Office Dpt | 2,151,300 | 20⅞ | +⅛ |
| Pepsi Co | 2,116,000 | 55⅝ | +1¼ |

### ■ TRADING ACTIVITY

| ● Volume (million) | Dec 22 | Dec 21 | Dec 20 |
|---|---|---|---|
| New York SE | 289.605 | 538.398 | 437.850 |
| Amex | 17.583 | 21.247 | 21.107 |
| NASDAQ | 431.758 | 544.751 | 580.493 |
| **NYSE** | | | |
| Issues Traded | 3,084 | 3,092 | 3,095 |
| Rises | 1,361 | 1,417 | 1,448 |
| Falls | 954 | 939 | 955 |
| Unchanged | 769 | 736 | 692 |
| New Highs | 168 | 170 | 186 |
| New Lows | 13 | 25 | 24 |

| | Open | Sett price | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| **■ S&P 500** | | | | | | | |
| Mar | 618.90 | 619.30 | +0.95 | 620.00 | 618.40 | 33,465 | 190,895 |
| Jun | 624.50 | 624.80 | +1.10 | 625.00 | 624.50 | 152 | 6,417 |
| **■ Nikkei 225** | | | | | | | |
| Mar | 19910.0 | 19970.0 | +110.0 | 19980.0 | 19730.0 | 18,307 | 136,777 |
| Jun | 19850.0 | 19930.0 | +140.0 | 19930.0 | 19850.0 | 4 | 18,100 |

Open interest figures for previous day

## NORTH AMERICA

CANADA

TORONTO (Dec 22 / Can $)
4 pm close

[illegible]

Prices supplied by Telekurs

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are for 1995, except Toronto & Montreal (daily). ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. † Priced in US $.

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### ■ TOKYO - MOST ACTIVE STOCKS: Monday, December 25, 1995

| | Stocks Traded | Closing Prices | Change on day |
|---|---|---|---|
| Hanwa | 18.4m | 435 | +40 |
| Nip Hsg Loan | 8.9m | 53 | +5 |
| Shinagawa Fuel | 8.8m | 1360 | +100 |
| Joyo Bank | 6.5m | 850 | +15 |
| Showa Line | 6.1m | 215 | +8 |
| Shinwa Kaiun | 5.0m | 405 | +21 |
| Yamaichi Secs | 5.0m | 837 | +20 |
| Nip Cred Bnk | 4.9m | 468 | +50 |
| Toshiba | 4.6m | 795 | -1 |
| Nomura Secs | 4.3m | 2310 | +50 |

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# CURRENCIES AND MONEY

## POUND SPOT FORWARD AGAINST THE POUND

| Dec 26 | | Closing mid-point | Change on day | Bid/offer spread | Day's Mid high | low | One month Rate | %PA | Three months Rate | %PA | One year Rate | %PA | Bank of Eng. Index |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Europe** | | | | | | | | | | | | | |
| Austria | (Sch) | 15.6828 | +0.0606 | 739 - 916 | 15.6917 | 15.5739 | 15.6693 | 2.3 | 15.5953 | 2.2 | - | - | 106.5 |
| Belgium | (BFr) | 45.8920 | +0.2838 | 562 - 277 | 45.9277 | 45.5120 | 45.787 | 2.7 | 45.607 | 2.5 | 44.907 | 2.1 | 109.0 |
| Denmark | (DKr) | 8.6325 | +0.031 | 275 - 377 | 8.6377 | 8.6079 | 8.621 | 1.5 | 8.6036 | 1.3 | 8.5451 | 1.0 | 109.4 |
| Finland | (FM) | 6.7387 | +0.0215 | 307 - 467 | 6.7467 | 6.7070 | 6.7343 | 0.8 | 6.7262 | 0.7 | - | - | 80.9 |
| France | (FFr) | 7.6388 | +0.022 | 348 - 429 | 7.6452 | 7.5897 | 7.6337 | 0.8 | 7.6255 | 0.7 | 7.5791 | 0.8 | 110.5 |
| Germany | (DM) | 2.2287 | +0.0087 | 276 - 298 | 2.2301 | 2.2148 | 2.2241 | 2.4 | 2.2149 | 2.5 | 2.1746 | 2.4 | 111.3 |
| Greece | (Dr) | 369.204 | +2.185 | 007 - 400 | 369.400 | 366.878 | - | - | - | - | - | - | 68.3 |
| Ireland | (I£) | 0.9688 | +0.0008 | 678 - 699 | 0.9719 | 0.9674 | 0.9673 | 1.2 | 0.9662 | 0.9 | 0.9627 | 0.6 | 97.4 |
| Italy | (L) | 2463.12 | +15.06 | 077 - 547 | 2485.47 | 2443.88 | 2471.57 | -4.1 | 2488.22 | -4.1 | 2561.07 | -4.0 | 71.2 |
| Luxembourg | (LFr) | 45.8920 | +0.2838 | 562 - 277 | 45.9277 | 45.5120 | 45.787 | 2.7 | 45.607 | 2.5 | 44.907 | 2.1 | 109.0 |
| Netherlands | (Fl) | 2.4953 | +0.0101 | 937 - 969 | 2.4981 | 2.4808 | 2.4894 | 2.8 | 2.479 | 2.6 | 2.436 | 2.4 | 109.1 |
| Norway | (NKr) | 9.8359 | +0.0411 | 311 - 408 | 9.8408 | 9.7765 | 9.8258 | 1.2 | 9.8048 | 1.3 | 9.7231 | 1.1 | 98.2 |
| Portugal | (Es) | 233.285 | +0.888 | 082 - 387 | 233.387 | 231.887 | 233.68 | -2.2 | 234.565 | -2.3 | - | - | 95.1 |
| Spain | (Pta) | 189.080 | +1.079 | 981 - 180 | 189.321 | 188.041 | 189.565 | -3.1 | 190.51 | -3.0 | 194.735 | -3.0 | 82.0 |
| Sweden | (SKr) | 10.3134 | +0.0508 | 042 - 225 | 10.3225 | 10.2275 | 10.3153 | -0.2 | 10.3189 | -0.2 | 10.3341 | -0.2 | 87.0 |
| Switzerland | (SFr) | 1.7984 | +0.0082 | 970 - 997 | 1.7997 | 1.7853 | 1.7919 | 4.3 | 1.7789 | 4.3 | 1.7231 | 4.2 | 115.8 |
| UK | (£) | - | - | - | - | - | - | - | - | - | - | - | 83.0 |
| Ecu | - | 1.2161 | +0.0064 | 152 - 169 | 1.2169 | 1.2073 | 1.215 | 1.1 | 1.2128 | 1.1 | 1.2048 | 0.9 | - |
| SDR† | - | 1.038400 | - | - | - | - | - | - | - | - | - | - | - |
| **Americas** | | | | | | | | | | | | | |
| Argentina | (Peso) | 1.5548 | +0.0135 | 542 - 553 | 1.5553 | 1.5412 | - | - | - | - | - | - | - |
| Brazil | (R$) | 1.5080 | +0.0141 | 074 - 085 | 1.5085 | 1.4928 | - | - | - | - | - | - | - |
| Canada | (C$) | 2.1158 | +0.0128 | 141 - 170 | 2.1187 | 2.1007 | 2.1141 | 0.8 | 2.113 | 0.5 | 2.1087 | 0.3 | 83.9 |
| Mexico | (New Peso) | 11.7403 | +0.1174 | 209 - 596 | 11.7596 | 11.6877 | - | - | - | - | - | - | - |
| USA | ($) | 1.5550 | +0.0135 | 545 - 555 | 1.5555 | 1.5412 | 1.5539 | 0.8 | 1.5518 | 0.8 | 1.5425 | 0.8 | 94.1 |
| **Pacific/Middle East/Africa** | | | | | | | | | | | | | |
| Australia | (A$) | 2.1007 | +0.0177 | 998 - 020 | 2.1020 | 2.0827 | 2.1022 | -0.9 | 2.106 | -1.0 | 2.1225 | -1.0 | 85.5 |
| Hong Kong | (HK$) | 12.0264 | +0.106 | 209 - 318 | 12.0318 | 11.9220 | 12.0193 | 0.7 | 12.0113 | 0.5 | 11.9848 | 0.3 | - |
| India | (Rs) | 54.4289 | +0.511 | 075 - 503 | 54.4503 | 53.9110 | - | - | - | - | - | - | - |
| Israel | (Shk) | 4.9047 | +0.0091 | 936 - 157 | 4.9157 | 4.8678 | - | - | - | - | - | - | - |
| Japan | (Y) | 159.224 | +1.22 | 134 - 314 | 159.480 | 156.820 | 158.389 | 6.3 | 156.884 | 5.9 | 150.544 | 5.5 | 140.8 |
| Malaysia | (M$) | 3.9489 | +0.0365 | 461 - 517 | 3.9517 | 3.9144 | - | - | - | - | - | - | - |
| New Zealand | (NZ$) | 2.3856 | +0.0188 | 835 - 876 | 2.3876 | 2.3658 | 2.3885 | -1.5 | 2.3956 | -1.7 | 2.4197 | -1.4 | 101.2 |
| Philippines | (Peso) | 40.8110 | +0.3466 | 434 - 785 | 40.8785 | 40.7434 | - | - | - | - | - | - | - |
| Saudi Arabia | (SR) | 5.8325 | +0.0511 | 302 - 347 | 5.8347 | 5.7803 | - | - | - | - | - | - | - |
| Singapore | (S$) | 2.1998 | +0.0168 | 973 - 018 | 2.2018 | 2.1826 | - | - | - | - | - | - | - |
| South Africa | (R) | 5.6952 | +0.051 | 895 - 009 | 5.7009 | 5.6454 | - | - | - | - | - | - | - |
| South Korea | (Won) | 1201.63 | +10.59 | 116 - 209 | 1202.09 | 1190.58 | - | - | - | - | - | - | - |
| Taiwan | (T$) | 42.4422 | +0.3823 | 254 - 589 | 42.4589 | 42.0701 | - | - | - | - | - | - | - |
| Thailand | (Bt) | 39.1394 | +0.3244 | 190 - 597 | 39.1597 | 38.8000 | - | - | - | - | - | - | - |

† Rates for Dec 22. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1990 = 100. Index rebased 1/2/95. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

## DOLLAR SPOT FORWARD AGAINST THE DOLLAR

| Dec 26 | | Closing mid-point | Change on day | Bid/offer spread | Day's mid high | low | One month Rate | %PA | Three months Rate | %PA | One year Rate | %PA | J.P Morgan index |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Europe** | | | | | | | | | | | | | |
| Austria | (Sch) | 10.0854 | -0.049 | 829 - 878 | - | - | 10.0699 | 1.8 | 10.0439 | 1.6 | 9.9404 | 1.4 | 106.5 |
| Belgium | (BFr) | 29.5125 | -0.0875 | 990 - 260 | 29.5400 | 29.4890 | 29.4605 | 2.1 | 29.3725 | 1.9 | 29.0675 | 1.5 | 106.6 |
| Denmark | (DKr) | 5.5516 | -0.0285 | 500 - 530 | 5.5760 | 5.5484 | 5.5477 | 0.8 | 5.5415 | 0.7 | 5.559 | -0.1 | 108.7 |
| Finland | (FM) | 4.3336 | -0.024 | 298 - 373 | 4.3536 | 4.3284 | 4.3286 | 1.4 | 4.3199 | 1.3 | 4.2911 | 1.0 | 86.2 |
| France | (FFr) | 4.9125 | -0.0287 | 115 - 135 | 4.9320 | 4.9045 | 4.916 | -0.9 | 4.9235 | -0.9 | 4.935 | -0.5 | 110.1 |
| Germany | (DM) | 1.4333 | -0.0069 | 330 - 335 | 1.4407 | 1.4320 | 1.4311 | 1.8 | 1.4266 | 1.9 | 1.4073 | 1.8 | 110.7 |
| Greece | (Dr) | 237.480 | -0.875 | 380 - 480 | 238.850 | 237.230 | 239.155 | -8.7 | 242.355 | -8.3 | 255.83 | -7.7 | 65.8 |
| Ireland | (I£) | 1.6068 | +0.013 | 055 - 065 | 1.6085 | 1.5920 | 1.6065 | -0.3 | 1.6089 | -0.2 | 1.603 | 0.2 | - |
| Italy | (L) | 1584.00 | -4.1 | 300 - 500 | 1585.50 | 1582.00 | 1590.85 | -5.2 | 1602.9 | -4.8 | 1661 | -4.9 | 70.7 |
| Luxembourg | (LFr) | 29.5125 | -0.0875 | 990 - 260 | 29.5400 | 29.4990 | 29.4605 | 2.1 | 29.3725 | 1.9 | 29.0675 | 1.5 | 106.5 |
| Netherlands | (Fl) | 1.6047 | -0.0075 | 042 - 062 | 1.6113 | 1.6036 | 1.6018 | 2.4 | 1.5966 | 2.0 | 1.5772 | 1.7 | 106.5 |
| Norway | (NKr) | 6.3253 | -0.0289 | 243 - 263 | 6.3579 | 6.3160 | 6.3231 | 0.4 | 6.3148 | 0.7 | 6.2978 | 0.4 | 97.4 |
| Portugal | (Es) | 149.990 | -0.705 | 940 - 040 | 150.730 | 149.910 | 150.365 | -3.0 | 151.135 | -3.1 | 154.74 | -3.2 | 95.2 |
| Spain | (Pta) | 121.595 | -0.365 | 570 - 620 | 122.300 | 121.570 | 121.99 | -3.9 | 122.725 | -3.7 | 126.215 | -3.8 | 81.9 |
| Sweden | (SKr) | 6.6324 | -0.0251 | 288 - 361 | 6.6498 | 6.6108 | 6.6494 | -3.1 | 6.6789 | -2.8 | 6.8164 | -2.8 | 86.4 |
| Switzerland | (SFr) | 1.1565 | -0.0049 | 560 - 570 | 1.1602 | 1.1543 | 1.1529 | 3.7 | 1.1462 | 3.6 | 1.1178 | 3.3 | 115.0 |
| UK | (£) | 1.5550 | +0.0135 | 545 - 555 | 1.5555 | 1.5412 | 1.5539 | 0.8 | 1.5518 | 0.8 | 1.5425 | 0.8 | 82.3 |
| Ecu | - | 1.2787 | +0.0043 | 782 - 792 | 1.2792 | 1.2760 | 1.279 | -0.3 | 1.2793 | -0.2 | 1.28 | -0.1 | - |
| SDR† | - | 0.67450 | - | - | - | - | - | - | - | - | - | - | - |
| **Americas** | | | | | | | | | | | | | |
| Argentina | (Peso) | 0.9999 | - | 998 - 999 | 1.0000 | 0.9998 | - | - | - | - | - | - | - |
| Brazil | (R$) | 0.9698 | +0.0007 | 697 - 698 | 0.9700 | 0.9696 | - | - | - | - | - | - | - |
| Canada | (C$) | 1.3605 | -0.004 | 600 - 610 | 1.3631 | 1.3600 | 1.3605 | 0.0 | 1.361 | -0.1 | 1.3659 | -0.4 | 83.0 |
| Mexico | (New Peso) | 7.5500 | +0.01 | 400 - 600 | 7.5700 | 7.5400 | 7.5522 | -0.4 | 7.5554 | -0.3 | 7.5603 | -0.1 | - |
| USA | ($) | - | - | - | - | - | - | - | - | - | - | - | 95.0 |
| **Pacific/Middle East/Africa** | | | | | | | | | | | | | |
| Australia | (A$) | 1.3508 | -0.0004 | 504 - 514 | 1.3514 | 1.3502 | 1.3528 | -1.8 | 1.3563 | -1.6 | 1.375 | -1.8 | 86.4 |
| Hong Kong | (HK$) | 7.7340 | +0.001 | 330 - 350 | 7.7350 | 7.7330 | 7.7347 | -0.1 | 7.7365 | -0.1 | 7.7635 | -0.4 | - |
| India | (Rs) | 35.0025 | +0.025 | 000 - 050 | 35.0000 | 34.9700 | 35.1525 | -5.1 | 35.4575 | -5.2 | 36.9275 | -5.5 | - |
| Israel | (Shk) | 3.1541 | -0.0218 | 480 - 602 | 3.1715 | 3.1480 | - | - | - | - | - | - | - |
| Japan | (Y) | 102.395 | -0.105 | 370 - 420 | 102.800 | 101.450 | 101.88 | 6.0 | 101.035 | 5.3 | 97.47 | 4.8 | 141.2 |
| Malaysia | (M$) | 2.5395 | +0.0015 | 385 - 405 | 2.5405 | 2.5385 | 2.5404 | -0.4 | 2.5465 | -1.1 | 2.57 | -1.2 | - |
| New Zealand | (NZ$) | 1.5340 | -0.0014 | 333 - 349 | 1.5349 | 1.5328 | 1.5371 | -2.4 | 1.5429 | -2.3 | 1.5675 | -2.2 | - |
| Philippines | (Peso) | 26.2450 | -0.005 | 100 - 800 | 26.2800 | 26.2100 | - | - | - | - | - | - | - |
| Saudi Arabia | (SR) | 3.7508 | +0.0003 | 505 - 510 | 3.7510 | 3.7505 | 3.7512 | -0.1 | 3.7519 | -0.1 | 3.7553 | -0.1 | - |
| Singapore | (S$) | 1.4145 | -0.0015 | 135 - 155 | 1.4162 | 1.4135 | 1.411 | 3.0 | 1.405 | 2.7 | 1.3795 | 2.5 | - |
| South Africa | (R) | 3.6625 | +0.001 | 600 - 650 | 3.6650 | 3.6600 | 3.6905 | -9.2 | 3.7416 | -8.8 | 3.9835 | -8.8 | - |
| South Korea | (Won) | 772.750 | +0.1 | 700 - 800 | 773.000 | 772.320 | 775.75 | -4.7 | 779.25 | -3.4 | 797.75 | -3.2 | - |
| Taiwan | (T$) | 27.2940 | +0.009 | 920 - 960 | 27.3010 | 27.2920 | 27.314 | -0.9 | 27.354 | -0.9 | - | - | - |
| Thailand | (Bt) | 25.1700 | -0.01 | 650 - 750 | 25.1800 | 25.1650 | 25.2688 | -4.7 | 25.4725 | -4.8 | 26.355 | -4.7 | - |

† SDR rate per $ for Dec 22. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Dec 22: Base average 1990=100

## WORLD INTEREST RATES

### MONEY RATES

| December 22 | Over night | One month | Three mths | Six mths | One year | Lomb. Inter. | Dis. rate | Repo rate |
|---|---|---|---|---|---|---|---|---|
| Belgium | 3[illegible] | 3[illegible] | 3[illegible] | 3[illegible] | 3[illegible] | 7.00 | 3.00 | - |
| week ago | 3¾ | 3[illegible] | 3[illegible] | 3[illegible] | 3[illegible] | 7.00 | 3.00 | - |
| France | 4[illegible] | 5[illegible] | 5[illegible] | 5[illegible] | 5[illegible] | 4.45 | - | 5.85 |
| week ago | 5 | 5[illegible] | 5[illegible] | 5[illegible] | 5[illegible] | 4.70 | - | 6.10 |
| Germany | 3[illegible] | 4 | 3[illegible] | 3[illegible] | 3[illegible] | 5.00 | 3.00 | 3.75 |
| week ago | 3[illegible] | 4 | 3[illegible] | 3[illegible] | 3[illegible] | 5.00 | 3.00 | 3.98 |
| Ireland | 5[illegible] | 5½ | 5½ | 5[illegible] | 5[illegible] | - | - | 6.25 |
| week ago | 5¾ | 5½ | 5[illegible] | 5[illegible] | 5[illegible] | - | - | 6.25 |
| Italy | 10¾ | 10[illegible] | 10[illegible] | 10¾ | 10¼ | - | 9.00 | 10.87 |
| week ago | 10½ | 10[illegible] | 10½ | 10½ | 10[illegible] | - | 9.00 | 10.67 |
| Netherlands | 3[illegible] | 3½ | 3½ | 3½ | 3½ | - | 3.50 | 3.40 |
| week ago | 3½ | 3½ | 3[illegible] | 3[illegible] | 3[illegible] | - | 3.50 | 3.40 |
| Switzerland | 1[illegible] | 2[illegible] | 1[illegible] | 1[illegible] | 1[illegible] | 5.00 | 2.00 | - |
| week ago | ¾ | 2[illegible] | 1[illegible] | 1[illegible] | 1¾ | 5.00 | 2.00 | - |
| US | 5¾ | 6[illegible] | 5[illegible] | 5¾ | 5[illegible] | - | 5.25 | - |
| week ago | 5¾ | 6[illegible] | 5[illegible] | 5½ | 5½ | - | 5.25 | - |
| Japan | [illegible] | [illegible] | ½ | [illegible] | [illegible] | - | 0.50 | - |
| week ago | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | - | 0.50 | - |
| **■ $ LIBOR FT London** | | | | | | | | |
| Interbank Fixing | - | 5¾ | 5[illegible] | 5[illegible] | 5[illegible] | - | - | - |
| week ago | - | 5¾ | 5[illegible] | 5[illegible] | 5[illegible] | - | - | - |
| US Dollar CDs | - | 5.13 | 5.25 | 5.25 | 5.20 | - | - | - |
| week ago | - | 5.13 | 5.32 | 5.31 | 5.28 | - | - | - |
| ECU Linked Ds | - | 5½ | 5[illegible] | 5[illegible] | 5[illegible] | - | - | - |
| week ago | - | 5½ | 5[illegible] | 5[illegible] | 5 | - | - | - |
| SDR Linked Ds | - | 3[illegible] | 3½ | 3¾ | 3[illegible] | - | - | - |
| week ago | - | 3[illegible] | 3[illegible] | 3¾ | 3[illegible] | - | - | - |

$ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US$ CDs, ECU & SDR Linked Deposits (Ds).

### EURO CURRENCY INTEREST RATES

| Dec 22 | Short term | 7 days notice | One month | Three months | Six months | One year |
|---|---|---|---|---|---|---|
| Belgian Franc | 3[illegible] - 3[illegible] | 3[illegible] - 3[illegible] | 3[illegible] - 3[illegible] | 3[illegible] - 3[illegible] | 3[illegible] - 3[illegible] | 3[illegible] - 3[illegible] |
| Danish Krone | 4[illegible] - 4[illegible] | 5[illegible] - 4[illegible] | 5 - 4¾ | 4[illegible] - 4[illegible] | 5 - 4¾ | 5 - 4¾ |
| D-Mark | 3[illegible] - 3[illegible] | 3[illegible] - 3[illegible] | 4 - 3[illegible] | 3[illegible] - 3[illegible] | 3[illegible] - 3[illegible] | 3[illegible] - 3[illegible] |
| Dutch Guilder | 3[illegible] - 3[illegible] | 3[illegible] - 3[illegible] | 3[illegible] - 3½ | 3[illegible] - 3½ | 3[illegible] - 3½ | 3[illegible] - 3[illegible] |
| French Franc | 5[illegible] - 4[illegible] | 5[illegible] - 5[illegible] | 5[illegible] - 5[illegible] | 5[illegible] - 5[illegible] | 5[illegible] - 5[illegible] | 5[illegible] - 5[illegible] |
| Portuguese Esc. | 8[illegible] - 8[illegible] | 8[illegible] - 8[illegible] | 8[illegible] - 8[illegible] | 8[illegible] - 8[illegible] | 8[illegible] - 8[illegible] | 8[illegible] - 8[illegible] |
| Spanish Peseta | 9[illegible] - 9[illegible] | 9[illegible] - 9[illegible] | 9½ - 9 | 9[illegible] - 8[illegible] | 9[illegible] - 8[illegible] | 9 - 8[illegible] |
| Sterling | 6[illegible] - 5[illegible] | 6[illegible] - 6[illegible] | 6[illegible] - 6[illegible] | 6½ - 6[illegible] | 6[illegible] - 6[illegible] | 6[illegible] - 6[illegible] |
| Swiss Franc | 1[illegible] - 1[illegible] | 1[illegible] - 1[illegible] | 2[illegible] - 2[illegible] | 2 - 1[illegible] | 1[illegible] - 1[illegible] | 1[illegible] - 1[illegible] |
| Can. Dollar | 5[illegible] - 5[illegible] | 5[illegible] - 5[illegible] | 5[illegible] - 5[illegible] | 5[illegible] - 5[illegible] | 5[illegible] - 5[illegible] | 5[illegible] - 5[illegible] |
| US Dollar | 5[illegible] - 5½ | 5[illegible] - 5[illegible] | 5[illegible] - 5[illegible] | 5[illegible] - 5½ | 5[illegible] - 5[illegible] | 5[illegible] - 5[illegible] |
| Italian Lira | 10[illegible] - 10½ | 10[illegible] - 10[illegible] | 10[illegible] - 10[illegible] | 10[illegible] - 10[illegible] | 10[illegible] - 10[illegible] | 10[illegible] - 10[illegible] |
| Yen | ½ - [illegible] | ¼ - [illegible] | [illegible] | ¼ - ¼ | [illegible] | [illegible] |
| Asian $Sing | 1[illegible] - 1[illegible] | 2[illegible] - 2[illegible] | 2[illegible] - 2½ | 2[illegible] - 2½ | 2[illegible] - 2½ | 2[illegible] - 2[illegible] |

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

| | Open | Latest | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 94.61 | 94.62 | - | 94.63 | 94.62 | 43,915 | 450,051 |
| Jun | 94.84 | 94.85 | +0.01 | 94.86 | 94.84 | 28,598 | 391,346 |
| Sep | 94.85 | 94.90 | +0.02 | 94.91 | 94.88 | 15,561 | 247,749 |

■ US TREASURY BILL FUTURES (IMM) $1m per 100%

| | Open | Latest | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 95.05 | 95.06 | +0.01 | 95.07 | 95.06 | 447 | 7,089 |
| Jun | 95.26 | 95.25 | -0.01 | 95.27 | 95.25 | 31 | 3,681 |
| Sep | 95.29 | - | - | - | - | - | 74 |

All Open interest figs. are for previous day

## CROSS RATES AND DERIVATIVES

### EXCHANGE CROSS RATES

| Dec 26 | | BFr | DKr | FFr | DM | I£ | L | Fl | NKr | Es | Pta | SKr | SFr | £ | C$ | $ | Y | Ecu |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Belgium | (BFr) | 100 | 18.81 | 16.64 | 4.865 | 2.109 | 5367 | 5.437 | 21.43 | 508.2 | 411.9 | 22.47 | 3.918 | 2.179 | 4.611 | 3.389 | 346.9 | 2.650 |
| Denmark | (DKr) | 53.16 | 10 | 8.847 | 2.581 | 1.121 | 2853 | 2.890 | 11.39 | 270.1 | 218.9 | 11.94 | 2.083 | 1.158 | 2.451 | 1.801 | 184.4 | 1.409 |
| France | (FFr) | 60.08 | 11.30 | 10 | 2.917 | 1.267 | 3225 | 3.267 | 12.88 | 305.3 | 247.4 | 13.50 | 2.354 | 1.309 | 2.770 | 2.036 | 208.4 | 1.592 |
| Germany | (DM) | 20.60 | 3.875 | 3.428 | 1 | 0.434 | 1105 | 1.120 | 4.415 | 104.7 | 84.83 | 4.627 | 0.807 | 0.449 | 0.950 | 0.698 | 71.45 | 0.546 |
| Ireland | (I£) | 47.41 | 8.918 | 7.890 | 2.302 | 1 | 2544 | 2.577 | 10.16 | 240.9 | 195.2 | 10.65 | 1.857 | 1.033 | 2.186 | 1.606 | 164.5 | 1.256 |
| Italy | (L) | 1.863 | 0.351 | 0.310 | 0.090 | 0.039 | 100 | 0.101 | 0.399 | 9.468 | 7.674 | 0.419 | 0.073 | 0.041 | 0.086 | 0.063 | 6.464 | 0.049 |
| Netherlands | (Fl) | 18.39 | 3.460 | 3.061 | 0.893 | 0.388 | 987.2 | 1 | 3.942 | 93.47 | 75.75 | 4.132 | 0.721 | 0.401 | 0.848 | 0.623 | 63.81 | 0.487 |
| Norway | (NKr) | 46.66 | 8.777 | 7.765 | 2.265 | 0.984 | 2504 | 2.537 | 10 | 237.1 | 192.2 | 10.48 | 1.828 | 1.017 | 2.151 | 1.581 | 161.9 | 1.236 |
| Portugal | (Es) | 19.68 | 3.702 | 3.275 | 0.955 | 0.415 | 1056 | 1.070 | 4.218 | 100 | 81.06 | 4.421 | 0.771 | 0.429 | 0.907 | 0.667 | 68.27 | 0.521 |
| Spain | (Pta) | 24.28 | 4.568 | 4.041 | 1.179 | 0.512 | 1303 | 1.320 | 5.204 | 123.4 | 100 | 5.455 | 0.951 | 0.529 | 1.120 | 0.823 | 84.23 | 0.643 |
| Sweden | (SKr) | 44.51 | 8.373 | 7.408 | 2.161 | 0.939 | 2389 | 2.420 | 9.540 | 226.2 | 183.3 | 10 | 1.744 | 0.970 | 2.052 | 1.508 | 154.4 | 1.179 |
| Switzerland | (SFr) | 25.52 | 4.801 | 4.248 | 1.239 | 0.538 | 1370 | 1.388 | 5.471 | 129.7 | 105.1 | 5.734 | 1 | 0.556 | 1.177 | 0.865 | 88.54 | 0.676 |
| UK | (£) | 45.89 | 8.633 | 7.638 | 2.228 | 0.968 | 2463 | 2.495 | 9.836 | 233.2 | 189.0 | 10.31 | 1.798 | 1 | 2.116 | 1.555 | 159.2 | 1.216 |
| Canada | (C$) | 21.69 | 4.080 | 3.610 | 1.053 | 0.457 | 1164 | 1.179 | 4.648 | 110.2 | 89.32 | 4.872 | 0.850 | 0.473 | 1 | 0.735 | 75.24 | 0.575 |
| US | ($) | 29.51 | 5.552 | 4.912 | 1.433 | 0.623 | 1584 | 1.605 | 6.325 | 150.0 | 121.5 | 6.630 | 1.156 | 0.643 | 1.361 | 1 | 102.4 | 0.782 |
| Japan | (Y) | 28.83 | 5.423 | 4.798 | 1.399 | 0.608 | 1547 | 1.567 | 6.178 | 146.5 | 118.7 | 6.476 | 1.129 | 0.628 | 1.329 | 0.977 | 100 | 0.764 |
| Ecu | | 37.74 | 7.100 | 6.281 | 1.832 | 0.796 | 2025 | 2.052 | 8.089 | 191.8 | 155.4 | 8.479 | 1.479 | 0.822 | 1.740 | 1.279 | 130.9 | 1 |

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

■ D-MARK FUTURES (IMM) DM 125,000 per DM

| | Open | Latest | Change | High | Low | Est.vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 0.6981 | 0.7006 | +0.0012 | 0.7017 | 0.6984 | 10,989 | 49,109 |
| Jun | 0.6995 | - | - | - | - | 22 | 2,881 |
| Sep | 0.7018 | - | - | - | - | 6 | 1,087 |

■ SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr

| | Open | Latest | Change | High | Low | Est.vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 0.8713 | 0.8724 | +0.0009 | 0.8740 | 0.8705 | 5,566 | 32,603 |
| Jun | 0.8756 | 0.8784 | -0.0006 | 0.8786 | 0.8784 | 20 | 931 |
| Sep | 0.8841 | - | - | - | - | 16 | 87 |

■ JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100

| | Open | Latest | Change | High | Low | Est.vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 0.9941 | 0.9892 | -0.0014 | 0.9898 | 0.9872 | 14,456 | 61,325 |
| Jun | 0.9995 | 0.9996 | -0.0033 | 0.9996 | 0.9996 | 865 | 1,374 |
| Sep | - | - | - | - | - | 1 | 164 |

■ STERLING FUTURES (IMM) £62,500 per £

| | Open | Latest | Change | High | Low | Est.vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 1.5380 | 1.5542 | +0.0118 | 1.5570 | 1.5402 | 3,556 | 31,832 |
| Jun | 1.5386 | 1.5480 | +0.0082 | 1.5490 | 1.5480 | 1 | 28 |
| Sep | - | - | - | - | - | 2 | 8 |

■ PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)

| Strike Price | CALLS Jan | Feb | Mar | PUTS Jan | Feb | Mar |
|---|---|---|---|---|---|---|
| 1.520 | 2.55 | 3.25 | 3.76 | 0.23 | 1.05 | 1.66 |
| 1.530 | 1.81 | 2.60 | 3.45 | 0.35 | 1.40 | 1.85 |
| 1.540 | 1.15 | 2.09 | 3.16 | 0.70 | 1.74 | 2.06 |
| 1.550 | 0.67 | 1.57 | 2.62 | 1.21 | 2.27 | 2.61 |
| 1.560 | 0.34 | 1.17 | 1.78 | 1.88 | 2.82 | 2.99 |
| 1.570 | 0.16 | 0.85 | 1.43 | 2.62 | 3.49 | 3.57 |

Previous day's vol., Calls N/A Puts N/A . Prev. day's open int., Calls N/A Puts N/A

■ Pound in New York

| Dec 26 | Latest | Prev. close |
|---|---|---|
| £ spot | 1.5580 | 1.5430 |
| 1 mth | 1.5550 | 1.5420 |
| 3 mth | 1.5529 | 1.5400 |
| 1 yr | 1.5425 | 1.5308 |

**FT GUIDE to WORLD CURRENCIES**

*The FT Guide to World Currencies table can be found on the Companies and Finance page in today's edition.*

## FT GOLD MINES INDEX

| | Dec 22 | % chg on day | Dec 21 | Year ago | Gross div yield % | P/E ratio | 52 week High | Low |
|---|---|---|---|---|---|---|---|---|
| Gold Mines Index (34) | 1932.45 | +0.3 | 1926.97 | 1909.26 | 1.75 | - | 2083.88 | 1637.91 |
| ■ Regional Indices | | | | | | | | |
| Africa (16) | 2517.52 | -0.4 | 2528.61 | 3106.10 | 3.67 | 26.54 | 3191.21 | 2272.74 |
| Australasia (6) | 2367.89 | -0.4 | 2378.21 | 2395.82 | 2.08 | 37.40 | 2607.57 | 1788.20 |
| North America (12) | 1707.80 | +0.7 | 1695.13 | 1481.91 | 0.79 | 50.68 | 1831.00 | 1349.18 |

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## LONDON RECENT ISSUES: EQUITIES

| Issue price p | Amt paid up | Mkt. cap (£m.) | 1995 High | Low | Stock | Close price p | +/- | Net div. | Div. cov. | Grs yld | P/E net |
|---|---|---|---|---|---|---|---|---|---|---|---|
| - | F.P. | 24.0 | 29 | 23 | Cash Converters | 24 | | Mv2.6 | 5.1 | 13.5 | 18.0 |
| - | F.P. | 23.4 | 125 | 116 | †Century Inns | 117 | | - | - | - | - |
| - | F.P. | 12.2 | 510 | 500 | †Com de Part Fin | 510 | | - | - | - | - |
| 150 | F.P. | 72.1 | 160 | 148½ | Cortworth | 151 | | Rv5.8 | 2.1 | 4.8 | 12.4 |
| - | F.P. | 54.1 | 110 | 108 | Cox Insurance | 110 | | - | - | - | - |
| - | F.P. | 14.0 | 60 | 52 | †Crown Products | 53 | | - | - | - | - |
| - | F.P. | 15.2 | 90 | 81 | †Dreamek | 81 | | - | - | - | - |
| - | F.P. | 13.2 | 448 | 448 | East Surrey NV | 448 | | - | - | - | - |
| 100 | F.P. | 27.1 | 103 | 98 | Finsbury Tech | 102 | | - | - | - | - |
| - | F.P. | 14.8 | 146 | 125 | Gardner (L) | 132 | -1 | - | - | - | - |
| 200 | F.P. | 21.5 | 203 | 198 | Gearhouse | 199 | -3 | Lv4.4 | 3.5 | 2.8 | 13.0 |
| - | F.P. | 3.38 | 116 | 83 | Jasmin | 83 | | - | - | - | - |
| - | F.P. | 14.7 | 28 | 24 | †Marx & O'seas | 25 | +1 | - | - | - | - |
| 204 | F.P. | 3,365.1 | 214½ | 198 | National Grid | 199 | | Wv11.23 | 2.3 | 7.1 | 8.9 |
| - | F.P. | 8.59 | 78 | 75 | †Nthn Petlm | 75 | | - | - | - | - |
| - | F.P. | 0.13 | 8 | 8 | †Do Wrnts | 8 | | - | - | - | - |
| - | F.P. | 92.2 | 380 | 345 | †Pet City | 380 | | - | - | - | - |
| - | F.P. | 25.0 | 152 | 124 | †Polymasc Pharms | 125 | -2 | - | - | - | - |
| - | F.P. | 1.07 | 105 | 100 | †Revelation P'dlly | 100 | | - | - | - | - |
| - | F.P. | 3.15 | 3½ | 3 | †Rushmere Wynne | 3½ | | - | - | - | - |
| - | F.P. | 194.3 | 48 | 36 | †Trocadero | 46 | -1 | - | - | - | - |
| 133 | F.P. | 44.9 | 135 | 133 | Unicorn Intl | 134 | | Wv5.5 | 2.2 | 5.1 | 11.2 |
| - | F.P. | 189.1 | 244 | 213 | Victrex | 244 | +4 | Lv3.6 | 2.4 | 1.8 | 28.5 |
| - | F.P. | 3.90 | 135 | 125 | †Viewinn | 130 | | - | - | - | - |
| - | F.P. | 47.1 | 68 | 55 | Wilmington | 66 | | v- | - | - | 31.0 |

† Alternative Investment Market. For a full explanation of all other symbols please refer to The London Share Service notes.

## France

■ NOTIONAL FRENCH BOND FUTURES (MATIF) FFr500,000

| | Open | Sett price | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 119.94 | 120.22 | +0.20 | 120.22 | 119.94 | 9,587 | 120,879 |
| Jun | 120.42 | 120.64 | +0.20 | 120.50 | 120.42 | 402 | 4,062 |
| Sep | 119.56 | 119.78 | -0.02 | 119.56 | 119.56 | 2 | 615 |

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

| Strike Price | CALLS Jan | Mar | Jun | PUTS Jan | Mar | Jun |
|---|---|---|---|---|---|---|
| 118 | - | - | - | - | 0.40 | - |
| 119 | - | - | - | 0.04 | - | 1.42 |
| 120 | 0.32 | - | 1.91 | - | - | - |
| 121 | 0.03 | 0.70 | - | - | - | - |
| 122 | - | - | - | - | - | - |

Est. vol. total, Calls 2,174 Puts 632 . Previous day's open int., Calls 148,137 Puts 148,917

■ THREE MONTH PIBOR FUTURES (MATIF) Paris Interbank offered rate (FFr5m)

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 94.86 | 95.05 | - | 94.87 | 94.84 | 2,135 | 47,952 |
| Jun | 95.07 | 95.05 | -0.01 | 95.07 | 95.05 | 217 | 41,423 |
| Sep | 95.20 | 95.09 | - | 95.10 | 95.08 | 134 | 27,359 |

## Ecu

■ ECU BOND FUTURES (MATIF) ECU100,000

| | Open | Sett price | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 90.02 | 90.12 | +0.36 | 90.12 | 90.02 | 36 | 6,144 |

## Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

| | Open | Sett price | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 95.30 | 95.26 | -0.12 | 95.35 | 95.18 | 7,538 | 49,006 |

## US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

| | Open | Latest | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 120-01 | 120-08 | +0-07 | 120-10 | 119-28 | 104,447 | 365,108 |
| Jun | 119-19 | 119-27 | +0-07 | 119-28 | 119-15 | 816 | 16,492 |
| Sep | 119-14 | - | - | - | - | 1,166 | 5,464 |

## UK INTEREST RATES

### LONDON MONEY RATES

| Dec 22 | Over-night | 7 days notice | One month | Three months | Six months | One year |
|---|---|---|---|---|---|---|
| Interbank Sterling | 7½ - 5½ | 6½ - 5[illegible] | 6[illegible] - 6[illegible] | 6½ - 6[illegible] | 6[illegible] - 6¼ | 6[illegible] - 6¼ |
| Sterling CDs | - | - | 6[illegible] - 6[illegible] | 6[illegible] - 6[illegible] | 6[illegible] - 6[illegible] | 6¼ - 6[illegible] |
| Treasury Bills | - | - | 6[illegible] - 6¼ | 6[illegible] - 6[illegible] | - | - |
| Bank Bills | - | - | 6[illegible] - 6[illegible] | 6[illegible] - 6[illegible] | 6[illegible] - 6[illegible] | - |
| Local authority deps. | 6[illegible] - 6[illegible] | 6[illegible] - 6[illegible] | 6[illegible] - 6[illegible] | 6[illegible] - 6[illegible] | 6[illegible] - 6¼ | 6[illegible] - 6¼ |
| Discount Market deps | 6¼ - 6[illegible] | 6½ - 6[illegible] | - | - | - | - |

UK clearing bank base lending rate 6½ per cent from December 13, 1995

| | Up to 1 month | 1-3 month | 3-6 months | 6-9 months | 9-12 months |
|---|---|---|---|---|---|
| Certs of Tax dep. (£100,000) | 2½ | 5½ | 5 | 5 | 4¼ |

Certs of Tax dep. under £100,000 is 2½pc. Deposits withdrawn for cash 1¼pc.
Ave. tender rate of discount 6.1728pc. ECGD fixed rate Stlg. Export Finance. Make up day Nov 30, 1995. Agreed rate for period Dec 26, 1995 to Jan 23, 1996, Schemes II & III 7.88pc. Reference rate for period Nov 1, 1995 to Nov 30, 1995, Schemes IV & V 6.728pc. Finance House Base Rate 7pc from December 1, 1995

### BANK OF ENGLAND TREASURY BILL TENDER

| | Dec 22 | Dec 15 | | Dec 22 | Dec 15 |
|---|---|---|---|---|---|
| Bills on offer | £1500m | £1500m | Top accepted rate | 6.2170% | 6.1769% |
| Total of applications | £3983m | £4558m | Ave. rate of discount | 6.1728% | 6.1751% |
| Total allocated | £1500m | £1500m | Average yield | 6.2692% | 6.2717% |
| Min. accepted bid | £98.450 | £98.460 | Offer at next tender | £1500m | £1500m |
| Allotment at min. level | 74% | 71% | Min. accept. bid 182 days | - | - |

### EMS EUROPEAN CURRENCY UNIT RATES

| Dec 22 | Ecu cen. rates | Rate against Ecu | Change on day | % +/- from cen. rate | % spread v weakest | Div. ind. |
|---|---|---|---|---|---|---|
| Netherlands | 2.15214 | 2.10831 | +0.00119 | -2.04 | 5.85 | 15 |
| Spain | 162.493 | 159.526 | +0.17 | -1.83 | 5.42 | 13 |
| Belgium | 39.3960 | 38.6910 | +0.0372 | -1.79 | 5.38 | 13 |
| Germany | 1.91007 | 1.88303 | +0.0016 | -1.42 | 4.98 | 14 |
| Austria | 13.4383 | 13.2510 | +0.0111 | -1.39 | 4.96 | 10 |
| Denmark | 7.28580 | 7.29273 | +0.00016 | 0.10 | 3.40 | -1 |
| Portugal | 195.792 | 197.043 | +0.228 | 0.64 | 2.84 | -4 |
| France | 6.40608 | 6.45720 | -0.0047 | 0.80 | 2.66 | -7 |
| Ireland | 0.792214 | 0.819916 | -0.00034 | 3.50 | 0.00 | -24 |
| NON ERM MEMBERS | | | | | | |
| Greece | 292.867 | 311.433 | +0.243 | 6.34 | -2.67 | - |
| Italy | 2106.15 | 2073.13 | -4.39 | -1.57 | 5.15 | - |
| UK | 0.786652 | 0.847069 | -0.001429 | 7.68 | -3.89 | - |

Ecu central rates set by the European Commission. Currencies are in descending relative strength.
Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

### US INTEREST RATES

| Latest | | Treasury Bills and Bond Yields | | | |
|---|---|---|---|---|---|
| Prime rate | 8½ | One month | 5.15 | Two year | 5.27 |
| Broker loan rate | 7¾ | Two month | 5.13 | Three year | 5.33 |
| Fed.funds | 5¾ | Three month | 4.98 | Five year | 5.49 |
| Fed.funds at intervention | 5¾ | Six month | 5.25 | 10-year | 5.69 |
| | | One year | 5.28 | 30-year | 6.05 |

## BANK RETURN

| BANKING DEPARTMENT | Wednesday December 20, 1995 £ | Increase or decrease for week £ |
|---|---|---|
| **Liabilities** | | |
| Capital | 14,553,000 | |
| Public deposits | 1,159,490,936 | -104,864,942 |
| Bankers deposits | 2,001,259,609 | +241,389,300 |
| Reserve and other accounts | 3,940,983,427 | +593,478,486 |
| | 7,116,286,972 | +730,002,846 |
| **Assets** | | |
| Government securities | 1,090,512,581 | +8,840,000 |
| Advance and other accounts | 5,499,741,844 | +724,396,655 |
| Premise, equipment and other secs | 518,137,849 | +85,788 |
| Notes | 7,797,933 | -3,284,529 |
| Coin | 96,765 | -15,068 |
| | 7,116,286,972 | +730,002,846 |
| **ISSUE DEPARTMENT** | | |
| **Liabilities** | | |
| Notes in circulation | 21,262,202,067 | +843,284,529 |
| Notes in Banking Department | 7,797,933 | -3,284,529 |
| | 21,270,000,000 | +840,000,000 |
| **Assets** | | |
| Other Government securities | 14,552,420,513 | -247,147,436 |
| Other Securities | 6,717,579,487 | +1,087,147,436 |
| | 21,270,000,000 | +840,000,000 |

## BASE LENDING RATES

| | % | | % | | % |
|---|---|---|---|---|---|
| Adam & Company | 6.50 | Duncan Lawrie | 6.50 | Royal Bk of Scotland | 6.75 |
| Allied Trust Bank | 6.50 | Exeter Bank Limited | 7.75 | ●Singer & Friedlander | 6.75 |
| AIB Bank | 6.75 | Financial & Gen Bank | 7.50 | ●Smith & Williamson Secs | 6.50 |
| ●Henry Ansbacher | 6.50 | ●Robert Fleming & Co | 6.50 | TSB | 6.75 |
| Bank of Baroda | 6.75 | Girobank | 6.75 | United Bank of Kuwait | 6.75 |
| Banco Bilbao Vizcaya | 6.50 | ●Guinness Mahon | 6.50 | Unity Trust Bank Plc | 6.50 |
| Bank of Cyprus | 6.50 | Habib Bank AG Zurich | 6.50 | Western Trust | 6.75 |
| Bank of Ireland | 6.75 | ●Hambros Bank | 6.50 | Whiteaway Laidlaw | 6.50 |
| Bank of India | 6.75 | Heritable & Gen Inv Bk. | 6.50 | Yorkshire Bank | 6.50 |
| Bank of Scotland | 6.50 | ●Hill Samuel | 6.75 | | |
| Barclays Bank | 6.75 | C. Hoare & Co | 6.50 | ● Members of London Investment Banking Association | |
| Brit Bk of Mid East | 6.50 | Hongkong & Shanghai | 6.50 | * In administration | |
| ●Brown Shipley & Co Ltd | 6.50 | Julian Hodge Bank | 6.75 | | |
| Citibank NA | 6.50 | ●Leopold Joseph & Sons | 6.50 | | |
| Clydesdale Bank | 6.50 | Lloyds Bank | 6.50 | | |
| The Co-operative Bank | 6.75 | Meghraj Bank Ltd | 6.50 | | |
| Coutts & Co | 6.50 | Midland Bank | 6.50 | | |
| Credit Lyonnais | 6.50 | * Mount Credit Corp | 6.50 | | |
| Cyprus Popular Bank | 6.50 | NatWestminster | 6.50 | | |
| | | ●Rea Brothers | 6.75 | | |

## UK GILTS PRICES

| | Notes | Price £ | Wk % +/- | Amt £m | Interest due | Last xd | City line |
|---|---|---|---|---|---|---|---|
| **Shorts" (Lives up to Five Years)** | | | | | | | |
| Treas 14pc 1996 | | 100[illegible]xd | -.1 | 770 | Jy22 Ja22 | 18.12 | 1305 |
| 15¼pc 1996‡‡ | | 103¼ | -.2 | 1,150 | My3 My3 | 27.9 | 1309 |
| Exch 13¼pc 1996‡‡ | | 102[illegible] | -.2 | 800 | My15 Nv15 | 9.10 | 1288 |
| Conversion 10pc 1996 | | 103[illegible] | -.1 | 3,409 | My15 Nv15 | 9.10 | 1240 |
| Treas 13¼pc 1997‡‡ | | 107[illegible]xd | -.1 | 1,260 | Jy22 Ja22 | 18.12 | 1302 |
| Exch 10½pc 1997 | | 104[illegible] | -.1 | 3,700 | Au21 Fe21 | 17.7 | 1253 |
| Treas Cnv 7pc 1997‡‡ | | 101¼ | -.1 | 1,986 | Fe6 Au6 | 30.6 | 4491 |
| Treas 8¾pc 1997‡‡ | | 104[illegible] | -.1 | 5,550 | Mr1 Se1 | 28.7 | 1341 |
| Exch 15pc 1997 | | 114[illegible] | -.3 | 830 | Ap27 Oc27 | 20.9 | 1259 |
| 9¾pc 1998 | | 109[illegible]xd | -.2 | 3,650 | Jy19 Ja19 | 13.12 | 1273 |
| Treas 7¼pc 1998‡‡ | | 101[illegible] | -.2 | 8,150 | Se30 Mr30 | 24.8 | 1788 |
| Treas 6¾pc 1995-98‡‡ | | 100 | | 1,200 | Mr1 My1 | 25.9 | 1331 |
| Treas 15½pc '98‡‡ | | 122[illegible] | -.4 | 935 | Mr30 Se30 | 24.9 | 1306 |
| Exch 12pc 1998 | | 114[illegible] | -.4 | 3,608 | My20 Nv20 | 16.10 | 1259 |
| Treas 9½pc 1999‡‡ | | 108[illegible] | -.5 | 1,900 | Jy15 Ja15 | 11.12 | 1347 |
| Treas Fltg Rate 1999 | | 100[illegible] | | 5,700 | [illegible] | 6.11 | 4845 |
| Exch 12¼pc 1999 | | 116[illegible] | -.4 | 3,050 | Se26 Mr26 | 21.8 | 1254 |
| Treas 10½pc 1999 | | 111[illegible] | -.5 | 1,282 | Nv19 My19 | 13.10 | 1288 |
| Treas 6pc 1999‡‡ | | 97[illegible] | -.5 | 6,608 | Fe10 Au10 | 4.7 | 3536 |
| Conversion 10¼pc 1999 | | 111[illegible] | -.5 | 1,798 | My22 Nv22 | 16.10 | 1242 |
| Conv 9pc 2000‡‡ | | 107[illegible] | -.5 | 5,358 | Se3 Mr3 | 28.7 | 1244 |
| Treas 13pc 2000 | | 123[illegible]xd | -.6 | 3,171 | Ja14 Jy14 | 8.12 | 1289 |
| 14pc 1998-1 | | 116[illegible] | -.3 | 970 | Mr22 My22 | 16.10 | 1306 |
| **Five to Fifteen Years** | | | | | | | |
| Treas 8pc 2000‡‡ | | 104[illegible] | -.7 | 4,800 | Ja7 Dc7 | 31.10 | 4848 |
| 10pc 2001 | | 112[illegible] | -.8 | 4,406 | Au26 Fe26 | 20.7 | 1280 |
| 7pc 2001‡‡ | | 99[illegible] | -.7 | 7,750 | My6 Nv6 | 2.10 | 3031 |
| 9¾pc 2002 | | 112[illegible] | -.8 | 6,527 | Fe27 Au27 | 21.7 | 1343 |
| 8pc 2003‡‡ | | 105[illegible] | -.9 | 8,600 | Dc10 Je10 | 3.11 | 2010 |
| 10pc 2003 | | 115¼ | -.9 | 2,503 | Mr8 Se8 | 2.8 | 1261 |
| Treas 11½pc 2001-4 | | 118[illegible] | -.7 | 1,620 | Se19 Mr19 | 14.8 | 1290 |
| Funding 3½pc 1999-4 | | 82[illegible]xd | -1.1 | 542 | Ja14 Jy14 | 8.12 | 1274 |
| Conversion 9½pc 2004 | | 112[illegible] | -1.0 | 3,012 | Ap25 Oc25 | 18.9 | 1245 |
| Treas 6¾pc 2004‡‡ | | 95[illegible] | -.9 | 6,500 | My26 Nv26 | 20.10 | 3541 |
| Conv 9½pc 2005 | | 113[illegible] | -1.0 | 4,842 | Oc18 Ap18 | 11.9 | 1247 |
| Treas 12½pc 2003-5 | | 129[illegible] | -.8 | 2,200 | My21 Nv21 | 16.10 | 1295 |
| Treas 8½pc 2005‡‡ | | 108[illegible] | -1.1 | 6,900 | Ja7 Dc7 | 31.10 | 4946 |
| 7¾pc 2006‡‡ | | 99[illegible] | -1.1 | 6,000 | Ja7 Dc7 | 31.10 | - |
| 7¾pc 2006‡‡ | | 101[illegible] | -1.0 | 3,900 | Mr8 Se8 | 2.8 | 2300 |
| 8pc 2002-6‡‡ | | 102[illegible] | -1.4 | 2,000 | Ap5 Oc5 | 1.9 | 1334 |
| Treas 11¾pc 2003-7 | | 122[illegible] | -.8 | 3,150 | Jy22 Ja22 | 18.12 | 1283 |
| Treas 8½pc 2007‡‡ | | 108[illegible]xd | -1.0 | 7,397 | Ja16 Jy16 | 11.12 | 1339 |
| 13½pc 2004-8 | | 139[illegible] | -.9 | 1,250 | Se26 Mr26 | 28.9 | 1301 |
| Treas 9pc 2008‡‡ | | 110[illegible] | -1.0 | 5,621 | Ap13 Oc13 | 6.9 | 1343 |
| Treas 8pc 2009 | | 103[illegible] | -1.0 | 3,450 | Mr25 Se25 | 21.8 | 1336 |
| **Over Fifteen Years** | | | | | | | |
| Treas 6 1/4pc 2010 | | 89½ | -1.2 | 4,750 | Mr25 Nv25 | 19.10 | 4632 |
| Conv 9pc Ln 2011‡‡ | | 110[illegible] | -1.1 | 5,273 | Ja12 Jy12 | 6.12 | 1245 |
| Treas 9pc 2012‡‡ | | 111[illegible] | -1.1 | 5,360 | Fe6 Au6 | 30.6 | 1761 |
| Treas 5½pc 2008-12‡‡ | | 81[illegible] | -1.2 | 1,000 | Mr10 Se10 | 4.8 | 1330 |
| Treas 8pc 2013‡‡ | | 102[illegible] | -1.2 | 6,100 | Mr27 Se27 | 21.8 | 2229 |
| 7¾pc 2012-15‡‡ | | 99[illegible]xd | -1.4 | 800 | Jy26 Ja26 | 20.12 | 1332 |
| 8pc 2015 | | 102[illegible] | -1.3 | 8,500 | Ja7 Dc7 | 31.10 | 4692 |
| Treas 8¾pc 2017‡‡ | | 109[illegible] | -1.2 | 7,550 | Fe25 Au25 | 19.7 | 1982 |
| Exch 12pc 2013-17 | | 138[illegible] | -1.1 | 1,000 | Ja12 Dc12 | 6.11 | 1280 |
| **Undated** | | | | | | | |
| Consols 4pc | | 44[illegible] | -1.6 | 358 | Fe1 Au1 | 26.6 | 1239 |
| War Loan 3½pc‡‡ | | 41[illegible] | -4.7 | 1,909 | Je1 De1 | 25.10 | 1352 |
| Conv 3½pc '61 Aft. | | 57[illegible] | -.6 | 115 | Ap1 Oc1 | 25.8 | 1243 |
| Treas 3pc '66 Aft. | | 37[illegible] | -.7 | 56 | Ap5 Oc5 | 1.9 | 1324 |
| Consols 2½pc | | 31[illegible]xd | -1.5 | 276 | 5JaApJyOc | 1.12 | 1236 |
| Treas. 2½pc | | 30[illegible] | -1.3 | 475 | Ap1 Oc1 | 25.8 | 1315 |
| **Index-Linked (b)** | | | | | | | |
| 2pc '96 | (67.9) | 215¾ | | 1,200 | Mr16 Se16 | 10.8 | 1313 |
| 4¾pc '98‡‡ | (135.6) | 112[illegible] | 0.1 | 800 | Ap27 Oc27 | 20.9 | 1753 |
| 2½pc '01 | (78.3) | 178¼ | -.1 | 1,700 | Mr24 Se24 | 18.8 | 1316 |
| 2½pc '03 | (78.8) | 174[illegible] | -.2 | 1,700 | My20 Nv20 | 16.10 | 1317 |
| 4¾pc '04‡‡ | (135.6) | 115¼ | -.1 | 1,000 | Ap21 Oc21 | 14.9 | 1255 |
| 2pc '06 | (69.5) | 182[illegible]xd | -.3 | 1,850 | Ja19 Jy19 | 13.12 | 1314 |
| 2½pc '09 | (78.8) | 166[illegible] | -.4 | 2,050 | My20 Nv20 | 16.10 | 1318 |
| 2½pc '11 | (74.6) | 171[illegible] | -.4 | 2,350 | Fe23 Au23 | 17.7 | 1318 |
| 2½pc '13 | (89.2) | 141[illegible] | -.5 | 2,750 | Fe16 Au16 | 11.7 | 1320 |
| 2½pc '16 | (81.6) | 150[illegible]xd | -.5 | 3,050 | Ja26 Jy26 | 20.12 | 1321 |
| 2½pc '20 | (83.0) | 144[illegible] | -.6 | 2,900 | Ap16 Oc16 | 11.9 | 1322 |
| 2½pc '24‡‡ | (97.7) | 120[illegible]xd | -.7 | 2,700 | Ja17 Jy17 | 11.12 | 1323 |
| 4¼pc '30‡‡ | (135.1) | 119[illegible]xd | -.8 | 1,300 | Ja16 Jy22 | 18.12 | 1134 |

(b) Figures in parentheses show RPI base for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in February 1987. Conversion factor 3.945. RPI for April 1995: 149.0 and for November 1995: 149.8.

### Other Fixed Interest

| | Notes | Price £ | Wk % +/- | Amt £m | Interest due | Last xd | City line |
|---|---|---|---|---|---|---|---|
| Asian Dev 10¼pc 2009 | | 119[illegible] | — | 100 | Mr24 Se24 | 3'93 | - |
| B'ham 11½pc 2012 | | 126½ | — | 45 | My15 Nv15 | 13.10 | 1837 |
| Ireland Cap 9½pc '10 | | 105¾ | — | 303 | Apl Oct | - | 1465 |
| 9pc Cap 1996 | | 104 | — | 725 | Ja30 Jy30 | - | - |
| 13pc '97-2 | | 110¾ | — | 315 | Apl Oct | 8'93 | 1428 |
| Hydro Quebec 15pc 2011 | | 151[illegible] | — | 40 | My31 Nv30 | 10'93 | - |
| Leeds 13½pc 2006 | | 135½ | — | 40 | Apl Oct | 8.9 | 3146 |
| Liverpool 3½pc Irred | | 40½ | — | 5 | 1JaApJyOc | 1.9 | - |
| LCC 3pc '20 Aft. | | 34½ | — | 1 | 1MrJeSeDc | 28.1 | - |
| Manchester 11½pc 2007 | | 122¾ | — | 6 | Ap25 Oc25 | 25.9 | 3275 |
| Met. Wtr. 3pc 'B' | | 73½ | — | 25 | Mr1 Se1 | 1.8 | 3361 |
| N'wide Anglia 3¾pc 2021 | | 142 | — | 60 | Ja30 Jy30 | 23.6 | 3465 |
| 4½pc IL 2024 | | 137 | — | 60 | Au23 Fe23 | 17.7 | - |
| Utd Mex States 16½pc 2008 | | 123½ | — | 50 | Mr1 Se1 | 8'93 | - |

● 'Tap' stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds per £100 nominal of stock. Weekly percentage changes are calculated on a Friday to Friday basis.

## STOCK INDICES

| | Dec 22 | Dec 21 | Dec 20 | Dec 19 | Dec 18 | 1995 High | 1995 Low | Since comp. High | Since comp. Low |
|---|---|---|---|---|---|---|---|---|---|
| FT-SE 100 | 3639.30 | 3633.30 | 3613.70 | 3576.90 | 3595.10 | 3680.40 | 2954.20 | 3680.40 | 986.90 |
| FT-SE Mid 250 | 3965.40 | 3957.30 | 3950.10 | 3937.40 | 3954.00 | 3981.30 | 2987.30 | 4152.90 | 1379.40 |
| FT-SE Mid 250 ex ITs | 3998.70 | 3990.90 | 3974.19 | 3962.37 | 3988.04 | 4018.30 | 3006.40 | 4168.70 | 1378.30 |
| FT-SE-A 350 | 1816.10 | 1809.30 | 1795.20 | 1778.80 | 1787.20 | 1821.50 | 1482.40 | 1821.60 | 664.50 |
| FT-SE SmallCap | 1931.70 | 1926.30 | 1929.91 | 1922.98 | 1933.35 | 1993.11 | 1676.61 | 2095.86 | 1363.79 |
| FT-SE SmallCap ex ITs | 1907.35 | 1904.32 | 1903.84 | 1901.57 | 1911.62 | 1972.35 | 1656.18 | 2060.72 | 1363.79 |
| FT-SE-A All-Share | 1782.66 | 1776.94 | 1769.20 | 1753.76 | 1762.82 | 1784.85 | 1468.20 | 1784.85 | 61.92 |

| | Dec 22 | Dec 21 | Dec 20 | Dec 19 | Dec 18 | 1995 High | 1995 Low | Since comp. High | Since comp. Low |
|---|---|---|---|---|---|---|---|---|---|
| FT-SE-A Fledgling | 1099.21 | 1097.44 | 1098.22 | 1098.27 | 1100.97 | 1105.87 | 949.00 | 1105.87 | 949.00 |
| FT-SE Eurotrack 100 | 1479.19 | 1465.57 | 1463.89 | 1450.49 | 1465.72 | 1489.86 | 1222.41 | 1540.18 | 900.45 |
| FT-SE Eurotrack 200 | 1587.34 | 1571.89 | 1565.70 | 1552.29 | 1570.79 | 1591.13 | 1314.73 | 1687.39 | 936.62 |
| FT Ordinary | 2680.50 | 2641.80 | 2633.00 | 2595.30 | 2605.70 | 2670.50 | 2026.10 | 2713.60 | 49.40 |
| FT Govt Securities | 95.42 | 95.38 | 95.65 | 95.53 | 95.93 | 96.22 | 90.22 | 127.40 | 49.18 |
| FT Fixed Interest | 114.23 | 114.34 | 114.32 | 114.31 | 114.56 | 115.64 | 105.57 | 133.87 | 50.53 |
| FT Gold Mines | 1932.45 | 1926.97 | 1922.37 | 1909.26 | 1911.43 | 2207.98 | 1637.91 | 2287.49 | 922.16 |

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## OFFSHORE AND OVERSEAS

### BERMUDA (SIB RECOGNISED)

| Init Chrge | Notes | Selling Price | Buying Price | Yield Gr's | City-Line |
|---|---|---|---|---|---|
| [illegible] | | | | | |

**Fidelity Currency Funds Ltd**
Pembroke Hall, Pembroke, Bermuda

[illegible]

**Jupiter Tyndall (Bermuda) Ltd**

[illegible]

### BERMUDA (REGULATED)(**)

[illegible]

### GUERNSEY (SIB RECOGNISED)

[illegible]

**Royal Bk of Canada O/S Fd Mgrs Ltd**
PO Box 246, St Peter Port, Guernsey 01481 723021

[illegible]

**Sarasin Funds Mngmt (Guernsey) Ltd**
PO Box 248, St Peter Port, Guernsey 01481 723021

[illegible]

### GUERNSEY (REGULATED)(**)

[illegible]

### IRELAND (SIB RECOGNISED)

[illegible]

**The Fiduciary Trust Global Fund**
12 Lower Leeson Street

[illegible]

**GAM Fund Management Ltd (u)**

[illegible]

**GT Asset Management (Ireland) Ltd**

[illegible]

### IRELAND (REGULATED)(**)

[illegible]

**Baring Mutual (Ireland) Ltd**

[illegible]

**Berkshire KITC Growth Fund Plc**

**Berkshire Korea Fund Plc**

**Bordier Invest (Ireland) Ltd**

**CFP Interest Rate Arbitrage Fund Plc**

**Calptus Fund**

**Capital Vision Fund Plc**

**Chemical Ireland Fund Administrators Ltd**

**Citi Investment Fund (Ireland)**

**Citizens Investment Trust Mngt Company**

[illegible]

### ISLE OF MAN (SIB RECOGNISED)

**AXA Equity & Law Intl Fund Mngrs**
Victory Hse, Prospect Hill, Douglas IoM 01624 653583

**Allied Dunbar Intl Fund Mgrs (1600)F**
Lord Street, Douglas, IoM 01624 661551

[illegible]

**Ashburton Global Funds Ltd (1200)**
Victory Hse, Prospect Hill, Douglas, IoM 01624 620087

**Bank of Ireland Asset Mngmt (IOM) Ltd**

**CMI Fund Managers (IoM)**

**Mercury Fund Managers IoM Ltd**

[illegible]

### ISLE OF MAN (REGULATED)(**)

[illegible]

### JERSEY (SIB RECOGNISED)

**EBC Fund Managers (Jersey) Ltd**

**Fleming Group**

**Foreign & Colonial Mngmt (Jersey) Ltd**

**John Govett Management (Jersey) Ltd**

[illegible]

### JERSEY (REGULATED)(**)

[illegible]

### LUXEMBOURG (SIB RECOGNISED)

**Crestvale Group (u)**
11 Rue Aldringen, L-1118 Luxembourg 0171-357 6400

**DB Investment Management SA**
2 Boulevard Konrad Adenauer, Lux 00 352 421011

**Danske Fund (u)**

**Den norske Bank**
2 boulevard Royal, Lux

**Dolphin Intl Investments (u) SICAV**

**Dresdnerbank Asset Mngmt SA (u)**

**Mercury Asset Management S.A.**
B.P. 1058, L-1010 Luxembourg 00 352 342010-1

**Midland Intl Circuit Fund SICAV(u)**

[illegible]

### LUXEMBOURG (REGULATED)(**)

[illegible]

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Chase Manhattan Vista Funds

Merrill Lynch Asset Management - Contd.

Abtrust International Ltd

Royal Life International

Canco Investment Management Ltd

Global Asset Management - Contd.

Magellan Emerging Mkts Mngt (Jersey) Ltd

Republic Funds

## OTHER OFFSHORE FUNDS

## OFFSHORE INSURANCES

MANAGED FUNDS NOTES

*4 pm close December 26*

# NEW YORK STOCK EXCHANGE COMPOSITE PRICES

| 1995 High | Low | Stock | Div. | Yld. % | P/E | Sls 100s | High | Low | Close Quote | Chg'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 21⅞ | 12⅛ | AAR | 0.48 | 2.2 | 25 | 110 | 21½ | 21¼ | 21⅜ | |
| 46¼ | 35 | AMP | 0.92 | 2.4 | 18 | 2584 | 38½ | 37¾ | 38⅛ | -⅝ |
| 80¼ | 53⅜ | AMR | | | 17 | 4485 | 73⅝ | 72¾ | 73⅛ | +¼ |
| 47⅞ | 38⅜ | ASA | 1.71 | 4.5 | 25 | 216 | 38½ | 38 | 38⅛ | -¼ |
| 44¾ | 30¾ | AbbtL | 0.84 | 2.1 | 18 | 3976 | 40⅞ | 40⅝ | 40⅞ | +⅛ |
| 16⅞ | 12 | AbbtNl Pr | 0.40 | 2.7 | 7 | 552 | 14⅝ | 14⅜ | 14⅝ | +⅛ |
| 28½ | 21 | ABM Ind | 0.70 | 2.5 | 15 | 104 | 27¾ | 27¾ | 27¾ | -⅛ |
| 17½ | 13⅛ | Acptncein | | | 10 | 223 | 15¼ | 14⅞ | 15⅛ | -¼ |
| 40 | 21⅞ | ACE Ltd | 0.56 | 1.4 | 9 | 199 | 39⅛ | 38¾ | 39⅛ | +⅜ |
| 9⅞ | 8⅛ | ACM Gvt In | 0.48 | 5.2 | 8 | 965 | 9⅜ | 9⅛ | 9¼ | |
| 7¾ | 6½ | ACM GvOpp | 0.66 | 9.1 | | 511 | 7⅜ | 7¼ | 7¼ | |
| 7½ | 5¾ | ACM Gvt Sp | 0.75 | 11.3 | | 1300 | 6¾ | 6½ | 6⅝ | -⅛ |
| 8¾ | 7¼ | ACM Gvt Se | 0.24 | 2.9 | | 678 | 8⅜ | 8¼ | 8⅜ | +⅛ |
| 9½ | 7⅝ | ACM Man | 0.90 | 10.0 | | 24 | 9 | 8⅞ | 9 | +⅛ |
| 29¼ | 10¼ | AcmeCv | 0.48 | 2.8 | 30 | 235 | 17⅛ | 16⅝ | 16⅞ | +⅛ |
| 38¾ | 7⅜ | Acme Elect | | | 68 | 374 | 8⅝ | 8⅜ | 8⅜ | |
| 34½ | 23¾ | Acordia | 0.72 | 2.4 | 16 | 21 | 29⅝ | 29½ | 29½ | |
| 16¾ | 10⅛ | Acuson | | | 38 | 325 | 12⅝ | 12¼ | 12⅜ | +¼ |
| 19⅝ | 15⅝ | Adams Expr | 0.48 | 2.6 | 0 | 307 | 18⅝ | 18½ | 18⅝ | +⅛ |
| 38⅞ | 27⅛ | AdvMic | | | 5 | 4991 | 17½ | 17⅛ | 17¼ | -¼ |
| 9¾ | 5 | Advest Grp | 0.16 | 1.8 | 12 | 49 | 8⅞ | 8¾ | 8⅞ | |
| 27½ | 16½ | Advo Inc x | 0.10 | 0.4 | 19 | 440 | 26½ | 26⅛ | 26⅛ | -⅛ |
| 42¾ | 24.80 | Aegon | 1.28 | 3.0 | 18 | 42 | u43¼ | 42⅝ | 43¼ | +½ |
| 5⅞ | 3⅜ | Aerflx | | | 7 | 163 | 4⅛ | 4 | 4 | -⅛ |
| 76¾ | 48¾ | AetnaL | 2.76 | 3.8 | 34 | 874 | 72 | 71⅝ | 71⅞ | -⅜ |
| 44¼ | 31⅞ | Aflac | 0.52 | 1.2 | 12 | 807 | 42⅜ | 41⅞ | 42⅛ | +⅜ |
| 28⅜ | 16 | Ahmnsn | 0.88 | 3.3 | 8 | 3319 | 26⅜ | 26¼ | 26⅝ | +⅛ |
| 59½ | 43⅞ | AirPrC | 1.04 | 2.0 | 15 | 2634 | 52½ | 51⅝ | 52⅜ | +1⅛ |
| 29½ | 18⅜ | Airbne Frt | 0.30 | 1.1 | 25 | 615 | 27¼ | 26⅞ | 27 | |
| 31 | 19⅝ | Airgas Inc | | | 28 | 51 | u31½ | 30⅞ | 31⅜ | +⅞ |
| 18 | 13⅜ | Airlease | 2.00 | 11.3 | 12 | 41 | 17¾ | 17⅝ | 17¾ | |
| 35⅝ | 24 | AirTch | | | 110 | 10182 | 28⅛ | 27⅝ | 27⅝ | |
| 21⅜ | 13½ | Alaska Air | 0.20 | 1.1 | 18 | 972 | 17⅝ | 17¼ | 17½ | +⅜ |
| 26½ | 17⅛ | Albany Int | 0.40 | 2.1 | 14 | 1746 | 19⅛ | 18⅜ | 18⅞ | +⅝ |
| [illegible] | | | | | | | | | | |



Continued on next page

صورة من الأصل

## NYSE COMPOSITE PRICES

4 pm close December 26

Continued from previous page

[illegible]

## AMEX COMPOSITE PRICES

4 pm close December 26

[illegible]

## NASDAQ NATIONAL MARKET

4 pm close December 26

| Stock | Div. | P/E | Sls 100s | High | Low | Last | Chng |
|---|---|---|---|---|---|---|---|
| ABS Inds x | 0.20 | 8 | 38 | 8 1/2 | 8 | 8 1/2 | -1/4 |
| ACC Corp | 0.12 | 20 | 240 | 23 | 22 1/4 | 22 1/4 | [illegible] |
| Acclaim E | | 14 | 6624 | 12 5/8 | 12 1/4 | 12 1/2 | +1/8 |
| Acme Mtls | | 5 | 65 | 15 1/4 | 14 3/4 | 15 | -1/4 |
| Acxiom Cp | | 42 | 584 | 27 1/4 | 26 1/2 | 26 3/4 | -1/4 |
| Adaptech | | 25 | 6152 | 42 5/8 | 41 1/8 | 41 7/8 | +5/8 |
| ADC Tele | | 39 | 3207 | 37 1/2 | 36 1/4 | 36 5/8 | -5/8 |
| Addington | | 46 | 208 | 14 3/4 | 14 | 14 | -1/2 |
| [illegible] | | | | | | | |

| Stock | Div. | P/E | Sls 100s | High | Low | Last | Chng |
|---|---|---|---|---|---|---|---|
| Dep Gty x | 1.20 | 13 | 251 | 51 | 50 1/4 | 50 3/4 | [illegible] |
| Devcon | 0.20 | 30 | 180 | 7 7/8 | 7 1/4 | 7 7/8 | +1/8 |
| DH Tech | | 19 | 153 | 24 1/2 | 22 3/4 | 23 1/4 | -1 1/4 |
| [illegible] | | | | | | | |

[illegible]

AMERICA

# Dow tops 5,100 again in spite of dull bonds

US equities managed a strong morning showing with the Dow back above 5,100, *writes Tony Jackson in New York.* This was in spite of thin holiday trading and an absence of news on the budget impasse, which in turn led to sluggishness in the bond market.

At 1 pm the Dow Jones Industrial Average was up 13.01 at 5,110.98. The Standard & Poor's 500 rose 2.01 to 613.96 and the American Stock Exchange composite was 0.93 firmer at 542.48. NYSE volume had reached 116m shares.

The Nasdaq composite put on 0.88 at 1,047.77, with a generally good performance among technology stocks partly offset by weakness in healthcare.

The bond market was dull, with the benchmark 30-year Treasury up ¼ point to yield 6.04 per cent. Traders were resigned to a lack of political progress on the budget until later in the week.

Among blue chips, Coca Cola gained $2¾ at $74¼ on bargain hunting, a rise of 3.3 per cent. The stock had been weak in recent weeks, having peaked above $80 in mid-December. Also strong was Merrill Lynch, up $1 at $52¼.

Aon Corporation, the Chicago insurer, hardened $¼ to $50¼ on news of the $960m sale of its subsidiary Life Insurance Company of Virginia to GE Capital, the finance division of General Electric. Aon had said in September that the business was for sale. GE was ahead $⅝ at $72⅛.

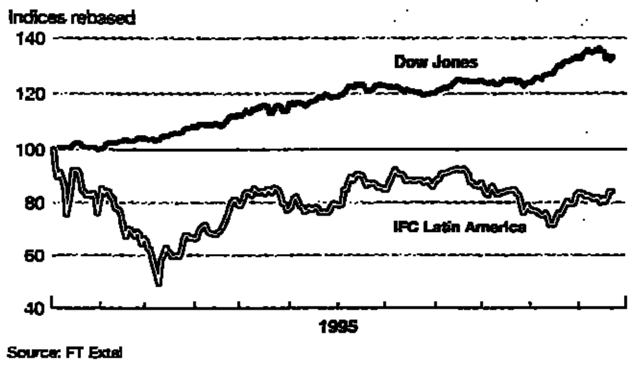
Kmart, the troubled retail chain, saw its shares drop $⅛ to $6⅞ in heavy volume. This was attributed to press comment querying the ability of Mr Floyd Hall, the new chief executive, to turn the company around.

Among technology shares, there was a mixed showing from the Internet sub-sector. Spyglass, which provides browser software for the Internet, was $1 cheaper at $58¾. However, Netscape advanced $4¼ to $144.

Healthcare stocks were weak, with Pacificare Health Systems down $1 at $88, St. Jude Medical off $1¼ at $39⅝ and Chiron $2 lower at $110. However, the small San Diego drug company Corvas International bucked the trend with a rise of $1⅛ to $6⅞.

Finally, in an unusual instance of poor Christmas trading from the retail sector, the Texan furniture store chain Pier 1 Imports said that it had lost $20m through the trading activities of a financial consultant which it had retained to manage its excess cash. The shares fell $1 to $11.

**Latin America and US**




Source: FT Extel

EUROPE

# CAC-40 index recedes

Friday's 2.1 per cent rally seemed to leave PARIS short of initiative and the CAC-40 index, an underperformer this year, eased 6.70 to 1,866.67. Turnover fell from FFr3bn to FFr2.24bn, and even this figure was inflated by block trades: inAlcatel, Elf Aquitaine, Générale des Eaux and Eurafrance.

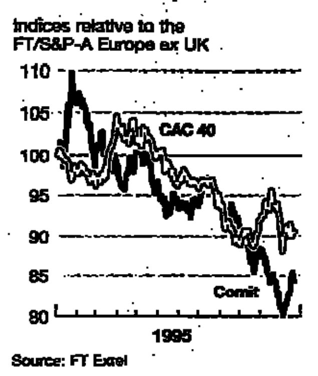
Bouygues followed the previous session's rise of FFr6.60 to FFr489.40 with a gain of 60 centimes to FFr490, although last Friday judicial sources reported that Mr Martin Bouygues, the construction group's chairman, had been placed under investigation as part of a probe into political pay-offs.

**MADRID** dried up. Turnover, at Pta11.63bn, hit one of its lowest levels this year as the general index lost 0.26 at 319.64. Cepsa, the second-ranked domestic oil group, fell Pta20 to Pta3,235; profits were up 20 per cent, but they had decelerated since last July.

**ISTANBUL** dropped and then recovered. On Monday, the market faced an inconclusive election result led by the Islamic Welfare party (RP), and shed 2,753.84 or 6.5 per cent to 39,482.41. Yesterday the talk turned to a coalition which might keep the RP out of power, and the index rallied 2,102.56 or 5.3 per cent to 41,584.97.

**TEL AVIV** focused on small-capitalisation stocks following Monday's blue chip gains on the Bank of Israel's key interest rate cut. The Mishtanim index, up 1.64 on Monday, added 1.45 at 209.78.

**France/Italy**




Source: FT Extel

ASIA PACIFIC

# Nikkei sets another 1995 peak

## Tokyo

Small-lot buying by domestic institutions and technical activity supported share prices and the Nikkei average gained ground for the fifth consecutive day, hitting another high for the year, *writes Emiko Terazono in Tokyo.*

The 225-share index finished with a rise of 129.31 or 0.7 per cent at the day's best of 19,904.72. The day's low was 19,690.55. On Monday, the index moved up 30.99 to 19,775.41 after fluctuating between 19,724.49 and 19,831.31.

The Topix index of all first section stocks rose 3.67 to 1,577.28 after moving up 4.89 the previous day, while the Nikkei 300 index, which advanced 0.54 on Monday, added 0.25 at 296.48.

Advances led declines by 677 to 340, with 188 issues unchanged. Volume was 380m shares, against 406m.

Reports that the postal insurance system will be allowed to manage Y1,700bn in the next fiscal year, up Y700bn from the current year, encouraged some investors.

Government officials said the increase in the limit for investment of public funds in securities reflected expectations of a stock market recovery in 1996-97; but activity remained subdued as many overseas investors were absent due to the Christmas holidays. Brokers refrained from trading as yesterday was the last trading day for December settlements.

Individual investors dabbled in speculative favourites, with fishery, shipping and coal mining stocks gaining ground. Mining issues were bought on hopes that the sodium leakage at Monju, the country's fast breeder reactor, would prompt a rise in coal based power generation. Sumitomo Coal Mining forged ahead Y33 to Y528 and Mitsui Mining Y21 to Y458.

Fishery shares were picked up as laggards. Nippon Suisan gained Y9 at Y420 while, among shipping companies, Showa Line rose Y9 to Y215 and Shinwa Kaiun Y21 to Y405.

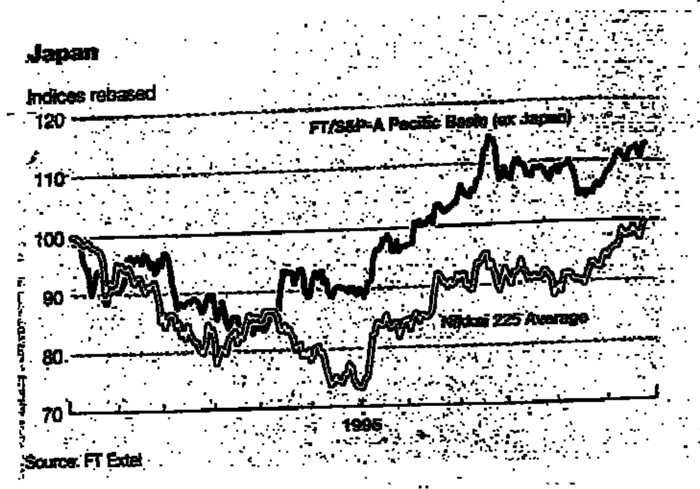
Profit-taking depressed stocks which rallied last week on buying by overseas investors. Banks lost ground, with Industrial Bank of Japan off Y10 at Y2,300. Department stocks were also lower, with Mitsukoshi slipping Y3 to Y979 and Takashimaya losing Y10 at Y1,660.

Some small banks, which had been sold on fears of mounting bad loans, were bought back. Nippon Credit Bank appreciated Y50 to Y468 and Nippon Housing Loan, the largest housing loan company, firmed Y5 to Y53.

Brokerages were traded actively on hopes of higher revenues due to the recent rally on the stock market. Yamaichi Securities rose Y20 to Y837 and Nomura Securities moved up Y50 to Y2,310.

In Osaka, the OSE average put on 2.17 at 21,272.93 after rising 94.05 on Monday. Volume totalled 121m shares, against a previous 134.2m.

**Japan**




Source: FT Extel

# Combination of ailments hit Seoul

Hong Kong, Sydney, Wellington and Bombay remained closed for Christmas. Elsewhere in the Pacific Basin and on the Indian sub-continent, sentiment was mixed.

Pessimistic views on economic prospects, selling pressure from margin calls and a still unstable political situation were blamed as SEOUL fell 1.9 per cent, the composite index ending 16.74 lower at 876.37.

There was particular weakness among short-term finance and securities stocks. The short-term finance sub-index dropped 71.35 or 5.6 per cent to 1,206.12 and the securities sub-index 77.94 or 4.2 per cent to 1,797.55.

Short-term finance issues were hit by rumours that the cash-hungry Woosung Construction was under pressure to pay off Won75bn of debt. Woosung ended limit down, off Won330 at Won5,270.

After hours, Pohang Iron and Steel Co (Posco), the world's second largest steel maker, said that a global reduction in demand for steel and cuts in export prices would hurt profits next year, forecasting a 13 per cent net profits fall to Won693.8bn on flat sales.

**TAIPEI**'s losses intensified in late trade to leave the weighted index 57.91 or 1.1 per cent down at 5,105.37 in slow turnover of T$36.8bn.

Sentiment weakened over a Taiwan Institute of Economic Research survey which said that more Taiwanese businessmen in manufacturing industry, polled in November, were pessimistic about Taiwan's economic outlook, compared with a similar survey in October.

However, most brokers said they expected the market to move higher after its current consolidation, especially after the government's decision last week to allow foreign stock investors to take their money freely out of Taiwan.

**KARACHI** saw heavy institutional buying on Sunday and rose 2 per cent, with brokers expecting some profit-taking yesterday. This was apparent in midsession but, by the end of trading, the KSE 100 index was another 6.35 higher at 1,497.48, Dewan Salman, the fibre company, rising PRs0.85 to PRs77.50 on a 30 per cent gain in net profits.

Dealers said institutions were buying aggressively ahead of their December 31 year-end but that, once again, they expected to see profit-taking today, the last clearing day for 1995 settlement.

**JAKARTA** closed higher, although most investors kept to the sidelines, and profit-taking was noted in some liquid stocks.

The JKSE composite index firmed 2.87 to close at 515.65. Telkom, the most actively traded issue, rose Rp50 to Rp2,925, with some 2m shares changing hands.

**MANILA** reported quiet trade, and a certain amount of year-end window dressing, as the composite index rose 4.88 to 2,565.53. Brokers said they expected the market to continue moving in a tight range for the rest of the week.

**BANGKOK** softened in thin volume on profit-taking, an absence of foreign players and tight liquidity in the market, brokers said.

The SET index finished 2.73 lower at 1,278.94 in turnover of Bt4.5bn.

One broker blamed tight liquidity in the money market. The Thai overnight interbank rate climbed to 13.50 per cent late on Tuesday, from 11.25-11.50 in the morning and from 10.50-10.75 late on Monday.

Another said that the announcement early yesterday that Ekamol Khiriwat had resigned as secretary general of the Securities and Exchange Commission, and the subsequent appointment of the assistant central bank governor, Pakorn Malakul, to succeed him had caused minimal anxiety among investors.

**SHANGHAI**'s B share index dropped to its second consecutive record low on Christmas day, ending down 0.697 or 1.5 per cent at 47.100. It managed a recovery of 0.151 or 0.3 per cent yesterday to 47.251 but volume, at 1.2m shares worth $300,000, was the lowest since April 14.

# Region strives for high ground

After last Thursday's 15-month closing peak and Friday's profit-taking, **MEXICO CITY** tried again for new high ground yesterday. But after a token rise of 1.93 in the IPC index to 2,828.60 in early trading, the bourse ran out of steam and, by mid-morning, the key index was 7.17 or 0.25 per cent lower at 2,819.50.

However, traders said that the market was expecting the Mexican central bank to drop its primary interest rate on 28-day *Cetes*, or Treasury bills, by about 100 basis points and they were still hopeful that the equity market would climb this week.

**SAO PAULO**, which saw a 2.1 per cent advance last Friday, calculated that the market still had a deficit of 0.25 per cent to make up before ending the year with share prices in balance. Traders took the view that mutual funds would go window dressing, and the Bovespa index had put on 85.81 or 0.2 per cent at 43,518 by mid-afternoon.

**BUENOS AIRES** stock and bond prices were generally lower at mid-session.

Some observers blamed concern over the outcome of legislation under consideration; others noted that the market had a week of strong gains ahead of the Christmas holiday, the Merval index rising 8.2 per cent in six sessions and closing on Friday at a year's high of 517.20.

At the half-way mark yesterday, the key index was down 6.65 or 1.3 per cent at 510.55. Both legislative houses in the Argentine government are scheduled to meet today to take up their respective ends of legislation involving the 1996 budget, reform of the federal bureaucracy and changes to the income and value added tax regimes.

**CARACAS**, active ahead of the holiday on the back of a strong bond market, saw equities at peak levels, and the Merinvest composite index 1.35 higher at 148.49 in post-Christmas trading.

## FT/S&P ACTUARIES WORLD INDICES

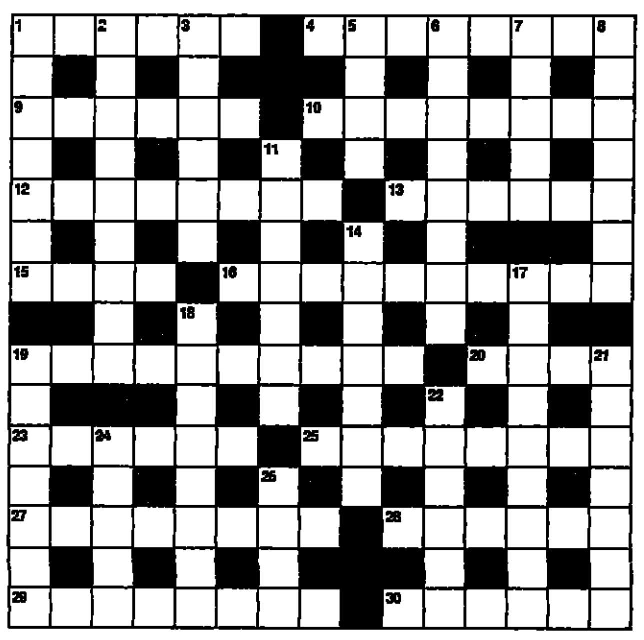
The FT/S&P Actuaries World Indices are owned by The Financial Times Ltd., Goldman, Sachs & Co. and Standard & Poor's. The Indices are compiled by The Financial Times and Goldman Sachs in conjunction with the Institute of Actuaries and the Faculty of Actuaries. NatWest Securities Ltd. was a co-founder of the Indices.

| NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock | FRIDAY DECEMBER 22 1995 US Dollar Index | Day's Change % | Pound Sterling Index | Yen Index | DM Index | Local Currency Index | Local % chg on day | Gross Div. Yield | THURSDAY DECEMBER 21 1995 US Dollar Index | Pound Sterling Index | Yen Index | DM Index | Local Currency Index | DOLLAR INDEX 52 week High | 52 week Low | Year ago (approx) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia (81) | 189.71 | -0.1 | 182.46 | 122.82 | 142.05 | 170.50 | 0.2 | 3.93 | 189.91 | 182.93 | 122.26 | 142.19 | 170.16 | 191.88 | 157.95 | 172.04 |
| Austria (26) | 172.42 | 0.1 | 165.83 | 111.71 | 129.10 | 129.03 | 0.1 | 1.62 | 172.19 | 165.86 | 110.85 | 128.93 | 128.86 | 199.28 | 167.48 | 178.20 |
| Belgium (34) | 206.16 | 0.1 | 198.28 | 133.57 | 154.36 | 150.49 | 0.1 | 3.48 | 206.01 | 198.43 | 132.62 | 154.24 | 150.33 | 206.50 | 165.83 | 165.83 |
| Brazil (28) | 139.03 | 2.1 | 133.71 | 90.08 | 104.10 | 248.00 | 2.0 | 1.78 | 136.21 | 131.20 | 87.69 | 101.98 | 243.14 | 163.17 | 86.06 | 154.79 |
| Canada (101) | 148.53 | 0.0 | 142.85 | 96.24 | 111.21 | 146.76 | 0.3 | 2.54 | 148.53 | 143.07 | 95.62 | 111.21 | 146.35 | 150.83 | 121.81 | 129.17 |
| Denmark (33) | 282.96 | 0.2 | 272.14 | 183.34 | 211.87 | 214.75 | 0.2 | 1.52 | 282.32 | 271.94 | 181.75 | 211.38 | 214.35 | 295.99 | 242.74 | 242.74 |
| Finland (25) | 187.11 | 3.5 | 179.96 | 121.23 | 140.10 | 171.12 | 3.4 | 1.87 | 180.86 | 174.21 | 116.43 | 135.42 | 165.42 | 276.11 | 171.13 | 177.26 |
| France (100) | 177.25 | 2.0 | 170.47 | 114.84 | 132.72 | 137.39 | 2.0 | 3.20 | 173.78 | 167.39 | 111.67 | 130.12 | 134.70 | 191.17 | 157.79 | 164.16 |
| Germany (59) | 164.05 | 0.8 | 157.78 | 106.29 | 122.83 | 122.83 | 0.8 | 1.96 | 162.78 | 156.80 | 104.79 | 121.88 | 121.88 | 167.74 | 139.11 | 140.14 |
| Hong Kong (55) | 381.62 | 0.4 | 367.03 | 247.26 | 285.75 | 378.88 | 0.4 | 3.85 | 380.22 | 366.24 | 244.78 | 284.69 | 377.46 | 389.39 | 277.40 | 334.39 |
| Ireland (16) | 251.10 | 0.4 | 241.50 | 162.69 | 188.01 | 222.09 | 0.3 | 3.45 | 250.17 | 240.98 | 161.06 | 187.32 | 221.51 | 260.87 | 201.30 | 201.30 |
| Italy (59) | 72.24 | 1.8 | 69.47 | 46.80 | 54.09 | 85.67 | 1.6 | 1.70 | 70.99 | 68.39 | 45.70 | 53.16 | 84.33 | 82.71 | 65.45 | 73.10 |
| Japan (483) | 155.40 | -0.1 | 149.46 | 100.69 | 116.38 | 100.69 | 0.6 | 0.76 | 155.51 | 149.79 | 100.11 | 116.44 | 100.11 | 164.82 | 136.95 | 154.71 |
| Malaysia (108) | 484.58 | -0.9 | 466.05 | 313.97 | 362.83 | 473.66 | -0.9 | 1.74 | 489.21 | 471.23 | 314.95 | 366.30 | 478.10 | 561.96 | 398.16 | 485.42 |
| Mexico (18) | 1060.22 | -0.4 | 1019.66 | 686.93 | 793.83 | 8740.25 | -0.8 | 1.59 | 1064.07 | 1024.95 | 685.02 | 796.71 | 8806.92 | 1460.58 | 647.81 | 1426.04 |
| Netherland (19) | 269.14 | 0.3 | 258.85 | 174.38 | 201.52 | 198.04 | 0.2 | 3.30 | 268.42 | 258.55 | 172.80 | 200.98 | 197.55 | 269.14 | 212.55 | 212.92 |
| New Zealand (14) | 78.55 | 0.8 | 75.55 | 50.90 | 58.82 | 64.05 | 0.9 | 4.53 | 77.96 | 75.10 | 50.19 | 58.38 | 63.46 | 85.49 | 69.74 | 70.82 |
| Norway (33) | 225.67 | 1.0 | 217.04 | 146.22 | 168.97 | 194.63 | 0.9 | 2.15 | 223.44 | 215.23 | 143.85 | 167.30 | 192.93 | 243.79 | 202.76 | 206.46 |
| Singapore (44) | 410.00 | 0.4 | 394.32 | 265.65 | 306.99 | 267.54 | 0.5 | 1.51 | 408.35 | 393.35 | 262.89 | 305.76 | 266.13 | 414.26 | 313.94 | 375.85 |
| South Africa (45) | 388.12 | -0.1 | 373.27 | 251.47 | 290.60 | 310.61 | -0.2 | 3.81 | 388.70 | 374.41 | 250.23 | 291.03 | 311.14 | 392.04 | 281.06 | 331.17 |
| Spain (38) | 164.51 | 0.2 | 158.22 | 106.59 | 123.18 | 152.00 | 0.2 | 3.94 | 164.14 | 158.10 | 105.67 | 122.90 | 151.62 | 164.51 | 124.10 | 133.12 |
| Sweden (47) | 306.77 | 1.6 | 295.04 | 198.77 | 229.70 | 302.35 | 1.5 | 1.99 | 302.06 | 290.96 | 194.46 | 226.17 | 297.81 | 321.99 | 228.09 | 229.79 |
| Switzerland (40) | 231.92 | 0.6 | 223.05 | 150.26 | 173.65 | 166.99 | 0.8 | 1.59 | 230.58 | 222.11 | 148.44 | 172.65 | 165.67 | 232.27 | 162.35 | 162.97 |
| Thailand (46) | 169.03 | 0.7 | 162.56 | 109.52 | 126.56 | 165.19 | 0.8 | 2.47 | 167.80 | 161.63 | 108.03 | 125.64 | 163.92 | 184.55 | 130.15 | 159.34 |
| United Kingdom (206) | 226.95 | 0.8 | 218.27 | 147.04 | 169.93 | 218.27 | 0.7 | 4.02 | 225.09 | 216.81 | 144.91 | 168.54 | 216.81 | 228.33 | 191.53 | 193.84 |
| USA (640) | 249.44 | 0.3 | 239.90 | 161.62 | 186.77 | 249.44 | 0.3 | 2.26 | 248.80 | 239.65 | 160.17 | 186.29 | 248.80 | 253.50 | 187.76 | 188.03 |
| Americas (787) | 227.48 | 0.3 | 218.78 | 147.39 | 170.32 | 191.17 | 0.3 | 2.26 | 226.89 | 218.55 | 146.06 | 169.88 | 190.67 | 230.76 | 173.81 | 174.32 |
| Europe (735) | 198.36 | 0.9 | 190.77 | 128.52 | 148.52 | 168.94 | 0.9 | 3.03 | 196.52 | 189.29 | 126.51 | 147.14 | 167.45 | 199.02 | 167.08 | 167.22 |
| Nordic (138) | 271.36 | 1.5 | 260.98 | 175.82 | 203.18 | 231.11 | 1.5 | 1.91 | 267.32 | 257.49 | 172.09 | 200.15 | 227.77 | 295.02 | 219.70 | 219.70 |
| Pacific Basin (831) | 165.48 | -0.1 | 159.15 | 107.22 | 123.90 | 110.98 | 0.5 | 1.18 | 165.57 | 159.48 | 106.59 | 123.97 | 110.43 | 171.87 | 145.93 | 162.65 |
| Euro-Pacific (1566) | 179.07 | 0.4 | 172.22 | 116.02 | 134.07 | 133.02 | 0.7 | 2.04 | 178.35 | 171.79 | 114.82 | 133.54 | 132.12 | 179.07 | 154.73 | 164.46 |
| North America (741) | 243.20 | 0.2 | 233.89 | 157.57 | 182.09 | 242.55 | 0.3 | 2.27 | 242.59 | 233.67 | 156.17 | 181.64 | 241.92 | 246.93 | 184.12 | 184.38 |
| Europe Ex. UK (529) | 178.49 | 1.0 | 171.67 | 115.65 | 133.65 | 141.97 | 1.0 | 2.47 | 176.73 | 170.23 | 113.78 | 132.33 | 140.54 | 179.46 | 149.33 | 149.33 |
| Pacific Ex. Japan (348) | 263.05 | 0.0 | 252.99 | 170.44 | 196.96 | 232.18 | 0.1 | 3.19 | 263.01 | 253.35 | 169.32 | 196.93 | 231.89 | 268.72 | 211.19 | 241.27 |
| World Ex. US (1758) | 180.09 | 0.4 | 173.20 | 116.68 | 134.84 | 136.81 | 0.7 | 2.08 | 179.40 | 172.80 | 115.49 | 134.32 | 135.92 | 180.09 | 155.42 | 165.59 |
| World Ex. UK (2192) | 198.66 | 0.3 | 191.06 | 128.71 | 148.74 | 164.41 | 0.5 | 1.97 | 198.09 | 190.81 | 127.53 | 148.32 | 163.65 | 198.66 | 163.46 | 169.88 |
| World Ex. Japan (1915) | 227.19 | 0.5 | 218.50 | 147.20 | 170.11 | 212.85 | 0.5 | 2.60 | 226.15 | 217.83 | 145.59 | 169.32 | 211.88 | 228.28 | 181.60 | 183.11 |
| The World Index (2398) | 201.16 | 0.3 | 193.47 | 130.34 | 150.62 | 169.22 | 0.5 | 2.15 | 200.49 | 193.12 | 129.07 | 150.12 | 168.40 | 201.16 | 165.92 | 172.00 |



## CROSSWORD

No.8,952 Set by ADAMANT



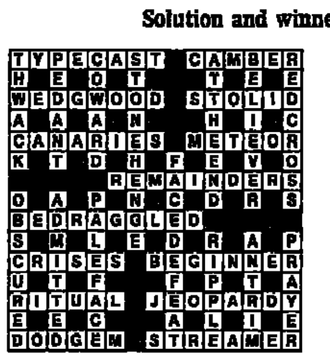
**ACROSS**

1 Predictable course of love in the woods (6)
4 Run into officer before noon – it could add some flavour (8)
9 Go to pay attention (6)
10 Operated on East Minimus to prevent the disease spreading (8)
12 Certificate, the first for a negotiator (8)
13 Coming to the publicity opening (6)
15 A child coming over for a mango (4)
16 The new chairman's love of drink (10)
19 Length of time in the middle (10)
20 Granny, for example, is a thousand overweight .... (4)
23 .... but a hundred in lost cause might bring a charge (6)
25 Outline for "Arsenic and Old Patchwork"? (8)
27 Politicians accept the ambassador has personal opinions (8)
28 Ran off in state of sensual pleasure (6)
29 Have second attempt at being fast, yet fragrant (8)
30 Tearaway on railway tube (6)

**DOWN**

1 Wary of having protection (7)
2 Frank making a linesman's call? (9)
3 One who sells a number or finishes on target (6)
5 Soldiers in spectacular mystery case (4)
6 Disease might induce a change after Europeans say yes (8)
7 Lug up – is inside lift (5)
8 A real virtuoso – most are fakes (7)
11 Body of man in car (7)
14 Whimsical idea to put Sir Tim in the English team? (7)
17 Not knowing anything about canoeing around the river (9)
18 A moment before the rest, in disarray, left *The Entertainer* (8)
19 The church is more suitable for canons (7)
21 You're mad to be off it (7)
22 Not just a brunette (6)
24 About to rush into a list of principles (5)
26 But does average person swallow Ecstasy? (4)

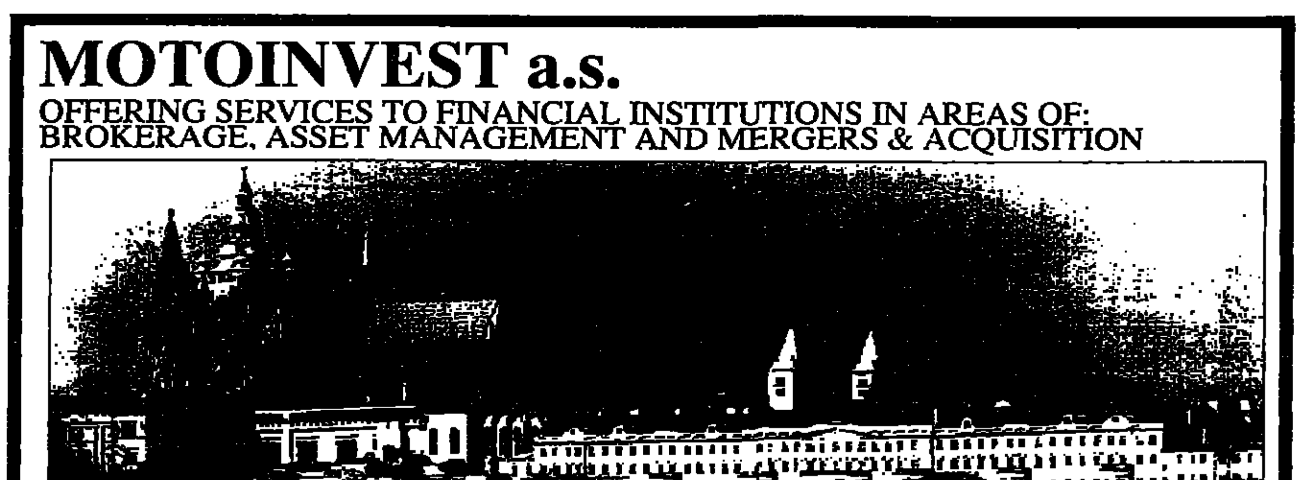
**Solution and winners of Puzzle 8,941**




Mrs L.J. Macarthur, Clifton, Bristol
Mrs H. Bailey, Snape, Suffolk
Mrs S. Farquhar, Woodley, Reading
R.E. Hurst, Weatherby, W. Yorks
H.W. Laughland, Chalfont St Giles, Bucks
R. Pearce, London W14

Solution to the Christmas Crossword on Saturday January 6.







JAN DIENSTL
DIRECTOR

صورة من الأصل